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SECURITIES DIVISION

Washington D.C. 20549

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

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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 1/01/04 AND ENDING 12/31/04
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER:

Keating Securities, LLC

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

5251 DTC Parkway, Suite 1090

(No. and Street)

Greenwood Village

CO

80111-2739

(City)

(State)

(Zip Code)

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

Timothy J. Keating

(720) 889-0131

(Area Code- Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Goldstein Golub Kessler LLP

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

1185 Avenue of the Americas

New York

NY

10036

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

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

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FINANCIAL

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* 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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S.S.

OATH OR AFFIRMATION

I, Timothy J. Keating swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Keating Securities, LLC, as of December 31, 20 04, 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:

Timothy J. Keating
PRESIDENT
Signature
Title

Richard D. Nichols
Notary Public
RICHARD D. NICHOLS
Notary Public, State of New York
No. 41-4617352
Qualified in Queens County
Commission Expires July 31, 2005

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 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 15c3-3.
- (i) Information Relating to the Possession or control Requirements Under Rule 15c3-3.
- (j) A Reconciliation, including appropriate explanation, of the Computation of Net Capital Under Rule 15c3-1 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 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).



GOLDSTEIN GOLUB KESSLER LLP

Certified Public Accountants and Consultants



INDEPENDENT AUDITOR'S REPORT

To the Members of
Keating Securities, LLC

We have audited the accompanying statement of financial condition of Keating Securities, LLC as of December 31, 2004. This financial statement is the responsibility of the Company's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement of financial condition. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall statement of financial condition presentation. We believe that our audit of the statement of financial condition provides a reasonable basis for our opinion.

In our opinion, the statement of financial condition referred to above presents fairly, in all material respects, the financial position of Keating Securities, LLC as of December 31, 2004, in conformity with accounting principles generally accepted in the United States of America.

Goldstein Golub Kessler LLP

GOLDSTEIN GOLUB KESSLER LLP

February 15, 2005

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KEATING SECURITIES, LLC

STATEMENT OF FINANCIAL CONDITION

December 31, 2004

ASSETS

Securities Owned:	
Marketable, at market value	\$ 63,292
Restricted and not readily marketable, at estimated fair value	1,368,527
Due from Broker	664,076
Cash	157,352
Property and Equipment - net of accumulated depreciation of \$50,807	36,527
Other Assets	17,817
Total Assets	\$2,307,591

LIABILITIES AND MEMBERS' EQUITY

Securities Sold Short, at market value	\$ 131,500
Accrued Expenses	30,000
Accounts Payable and Other Liabilities	2,561
Total Liabilities	164,061
Members' Equity	2,143,530
Total Liabilities and Members' Equity	\$2,307,591

See Notes to Statement of Financial Condition

KEATING SECURITIES, LLC

NOTES TO STATEMENT OF FINANCIAL CONDITION December 31, 2004

1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES:

Keating Securities, LLC (the "Company"), is a limited liability company organized in Delaware during 2003. The principal activities of the Company are to engage in proprietary equity transactions, private placement of securities, best efforts underwriting and market-making in a maximum of 10 securities for interdealer transactions only. The Company is registered as a broker-dealer in securities with the Securities and Exchange Commission (the "SEC") and is a member of the National Association of Securities Dealers, Inc. (the "NASD"). The Company is owned 90% by Keating Investments, LLC ("Keating Investments"), an investment advisor registered with the states of Colorado and California.

Investments in securities traded on a national securities exchange or listed on Nasdaq are valued at the last reported sales price on the last business day of the year. Investments in securities which are not actively traded are valued at fair value as determined by the managing Member of the Company. Those estimated values may differ significantly from the values that would have been used had a ready market for the securities existed.

The Company records transactions in securities and the related revenue and expenses on a trade-date basis.

Depreciation is calculated on a straight-line basis using estimated useful lives of three to seven years.

The Company maintains cash in bank deposit accounts which may, at times, exceed federally insured limits. The Company believes that there is no credit risk associated with respect to those accounts.

No provision for federal income taxes has been made since, as a limited liability company, the Company is not subject to income taxes. The Company's income or loss is reportable by its Members on their individual tax returns.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates by management.

2. RECEIVABLE FROM CLEARING BROKER:

The clearing and depository operations for the Company's proprietary transactions are provided by First Options of Chicago, Inc., and Wells Fargo Investments, LLC, which are members of major securities exchanges.

At December 31, 2004, the marketable securities owned and amount due from broker reflected in the statement of financial condition are positions with and amounts due from these clearing brokers.

3. SECURITIES SOLD SHORT:

Subsequent market fluctuations may require the Company to purchase these securities at prices that differ from the market value reflected in the statement of financial condition.

KEATING SECURITIES, LLC

NOTES TO STATEMENT OF FINANCIAL CONDITION December 31, 2004

4. **RELATED PARTY TRANSACTIONS:** Keating Reverse Merger Fund, LLC, an entity in which Keating Investments is the managing member, participates and invests in certain companies to which the Company provides investment banking and other related services.
5. **MEMBERS' EQUITY SUBJECT TO MANDATORY REDEMPTION:** Through December 2004, pursuant to the membership operating agreement, a Member's interest would have been redeemed in the event of the death of such Member. Therefore, Members' equity was classified as a liability pursuant to Statement of Financial Accounting Standards No. 150, *Accounting for Certain Financial Instruments with Characteristics of Both Liabilities and Equity*. In December 2004, the operating agreement was amended to remove this provision. Accordingly, the liability was reclassified to Members' equity.
6. **NET CAPITAL REQUIREMENT:** As a registered broker-dealer, the Company is subject to the Uniform Net Capital Rule 15c3-1 of the Securities Exchange Act of 1934, which requires the maintenance of minimum net capital of 6-2/3% of aggregate indebtedness, as defined, or \$100,000, whichever is greater. Net capital and aggregate indebtedness change from day to day, but as of December 31, 2004, the Company had net capital of \$681,020, which exceeded the requirement by \$581,020.
7. **COMMITMENT:** The Company is obligated under noncancelable operating lease for office space expiring September 30, 2008. The aggregate minimum future payments under this lease are payable as follows:

Year ending December 31,

2005	\$ 49,002
2006	50,318
2007	51,633
2008	39,465

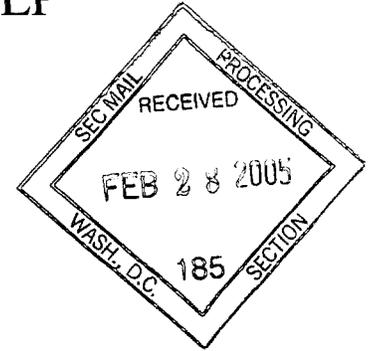
\$190,418

The lease is subject to escalation for the Company's proportionate share of increases in real estate taxes and other operating expenses.



GOLDSTEIN GOLUB KESSLER LLP

Certified Public Accountants and Consultants



INDEPENDENT AUDITOR'S SUPPLEMENTARY REPORT ON INTERNAL CONTROL

To the Members of
Keating Securities, LLC

In planning and performing our audit of the financial statements and supplemental schedule of Keating Securities, LLC (the "Company") for the year ended December 31, 2004, we considered its internal control, including control activities for safeguarding securities, in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on internal control.

Also, as required by rule 17a-5(g)(1) of the Securities and Exchange Commission (the "SEC"), we have made a study of the practices and procedures followed by the Company including tests of such practices and procedures that we considered relevant to the objectives stated in rule 17a-5(g) in making the periodic computations of aggregate indebtedness and net capital under rule 17a-3(a)(11) and for determining compliance with the exemptive provisions of rule 15c3-3. Because the Company does not carry security accounts for customers or perform custodial functions relating to customer securities, we did not review the practices and procedures followed by the Company in any of the following:

1. Making quarterly securities examinations, counts verifications and comparisons
2. Recordation of differences required by 17a-13
3. Complying with the requirements for prompt payment for securities under Section 8 of Federal Reserve Regulation T of the Board of Governors of the Federal Reserve System.

The management of the Company is responsible for establishing and maintaining internal control and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of controls and of the practices and procedures referred to in the preceding paragraph and to assess whether those practices and procedures can be expected to achieve the SEC's above-mentioned objectives. Two of the objectives of internal control and the practices and procedures are to provide management with reasonable but not absolute assurance that assets for which the Company has responsibility are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

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Because of inherent limitations in internal control or the practices and procedures referred to above, error or fraud may occur and not be detected. Also, projection of any evaluation of them to future periods is subject to the risk that they may become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate.

Our consideration of internal control would not necessarily disclose all matters in internal control that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of the specific internal control components does not reduce to a relatively low level the risk that error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. However, we noted no matters involving internal control, including control activities for safeguarding securities, that we consider to be material weaknesses as defined above.

We understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the SEC to be adequate for its purposes in accordance with the Securities Exchange Act of 1934 and related regulations, and that practices and procedures that do not accomplish such objectives in all material respects indicate a material inadequacy for such purposes. Based on this understanding and on our study, we believe that the Company's practices and procedures were adequate at December 31, 2004 to meet the SEC's objectives.

This report recognizes that it is not practicable in an organization the size of Keating Securities, LLC to achieve all the divisions of duties and cross-checks generally included in a system of internal control and that, alternatively, greater reliance must be placed on surveillance by management.

This report is intended solely for the information and use of the board of directors, management, the Securities and Exchange Commission, the National Association of Securities Dealers, Inc. and other regulatory agencies that rely on rule 17a-5(g) under the Securities Exchange Act of 1934 in their regulation of registered brokers and dealers, and is not intended to be and should not be used by anyone other than these specified parties.

Goldstein Golub Kessler LLP

GOLDSTEIN GOLUB KESSLER LLP

February 15, 2005