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**ANNUAL AUDITED REPORT  
FORM X-17A-5  
PART 111**

SEC FILE NUMBER
8-65634

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

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER:

**Eclipse Securities, LLC**

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

OFFICIAL USE ONLY

FIRM I.D. NO.

**1200 Ashwood Parkway, Suite 128**

(No. and Street)

**Atlanta**

**Georgia**

**30338**

(City)

(State)

(Zip Code)

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

**William S. Cowan**

**(770) 668-1680**

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

**Rubio CPA, PC**

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

**2120 Powers Ferry Road, Suite 350**

(Address)

**Atlanta**

(City)

**Georgia**

(State)

**30339**

(Zip Code)

CHECK ONE:

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

PROCESSED  
MAR 17 2005  
THOMSON 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)

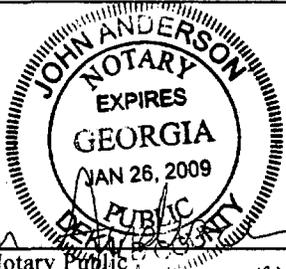
SEC 1410 (06-02) Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

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OATH OR AFFIRMATION

I, William S. Cowan, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Eclipse Securities, LLC, as of December 31, 2004, 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:

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



John Anderson  
Notary Public  
John Anderson Notary

Art Hill  
Signature  
President  
Title

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.
- (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 15c3-3 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 240.17z-5(e)(3).

**ECLYPSE SECURITIES, LLC**  
**Financial Statements**  
**For the Year Ended**  
**December 31, 2004**  
**With**  
**Independent Auditor's Report**

**INDEPENDENT AUDITOR'S REPORT**

To the Owner  
Eclipse Securities, LLC

We have audited the accompanying balance sheet of Eclipse Securities, LLC, as of December 31, 2004 and the related statements of operations, changes in member's equity, and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements 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 financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes 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 Eclipse Securities, LLC, as of December 31, 2004 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.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in the Schedules I, II, III and IV is presented for purposes of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by Rule 17a-5 of the Securities and Exchange Commission. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

February 8, 2005  
Atlanta, Georgia



RUBIO CPA, PC

**ECLYPSE SECURITIES, LLC**  
**BALANCE SHEET**  
**DECEMBER 31, 2004**

ASSETS

	<u>2004</u>
Cash and cash equivalents	\$ 28,704
Other	<u>974</u>
Total assets	<u>\$ 29,678</u>

LIABILITIES AND MEMBER'S EQUITY

LIABILITIES	<u>\$ 748</u>
MEMBER'S EQUITY	<u>28,930</u>
Total liabilities and member's equity	<u>\$ 29,678</u>

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

**ECLYPSE SECURITIES, LLC**  
**STATEMENT OF OPERATIONS**  
**For the Year Ended December 31, 2004**

	<u>2004</u>
REVENUES	
Interest Income	\$ <u>1,888</u>
GENERAL AND ADMINISTRATIVE EXPENSES	
Employee compensation and benefits	98,213
Other operating expenses	<u>14,289</u>
	<u>112,502</u>
NET LOSS	<u>\$ (110,614)</u>

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

**ECLYPSE SECURITIES, LLC**  
**STATEMENT OF CASH FLOWS**  
**For the Year Ended December 31, 2004**

	<u>2004</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Net loss	\$ (110,614)
Noncash items included in net income:	
Increase in other assets	(905)
Increase in accounts payable	<u>748</u>
NET CASH USED BY OPERATING ACTIVITIES	(110,771)
CASH FLOWS FROM FINANCING ACTIVITIES	
Contributions from owner	25,000
Distributions to owner	<u>(13,000)</u>
NET CASH PROVIDED BY FINANCING ACTIVITIES	12,000
NET DECREASE IN CASH AND CASH EQUIVALENTS	(98,771)
CASH AND CASH EQUIVALENTS:	
Beginning of year	<u>127,475</u>
End of year	<u>\$ 28,704</u>

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

**ECLYPSE SECURITIES, LLC**  
**STATEMENT OF CHANGES IN MEMBERS' EQUITY**  
**For the Year Ended December 31, 2004**

	<u>Contributed Capital</u>	<u>Retained Earnings (Deficit)</u>	<u>Total</u>
Balance, December 31, 2003	\$ 61,615	\$ 65,929	\$ 127,544
Net (loss)		(110,614)	(110,614)
Capital contributions	25,000		25,000
Distributions to owner	<u>                    </u>	<u>(13,000)</u>	<u>(13,000)</u>
Balance, December 31, 2004	<u>\$ 86,615</u>	<u>\$ (57,685)</u>	<u>\$ 28,930</u>

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

**ECLYPSE SECURITIES, LLC**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2004**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Organization and Description of Business: The Company is a registered broker dealer organized under the laws of the state of Georgia that began business in February 2003. The Company is registered with the Securities and Exchange Commission, the National Association of Securities Dealers and the securities commissions of appropriate states. The Company is wholly owned by Eclipse Ventures, LLC. The Company's primary business is investment banking services.

Cash and Cash Equivalents: The Company considers all cash and money market instruments with a maturity of ninety days or less to be cash and cash equivalents.

The Company maintains its bank accounts in high credit quality institutions. Deposits at times may exceed federally insured limits.

Income Taxes: The Company has elected to be taxed as a partnership. Therefore the income or losses of the Company flow through to its owner and no income taxes are recorded in the accompanying financial statements.

Estimates: Management uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets, liabilities, revenues and expenses. Actual results could vary from the estimates that were assumed in preparing the financial statements.

**NOTE B – NET CAPITAL**

The Company, as a registered broker dealer is subject to the Securities and Exchange Commission 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. At December 31, 2004, the Company had net capital of \$27,956, which was \$22,956 in excess of its required net capital of \$5,000.

**ECLYPSE SECURITIES, LLC**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2004**

**NOTE C – RELATED PARTIES**

The Company shares office facilities and personnel with its owner, Eclypse Ventures, LLC (“Ventures”) and another subsidiary of Ventures. Under the expense sharing arrangement, the Company pays certain expenses of the shared office facilities and personnel without reimbursement. In turn, Ventures and its other subsidiary provide the Company with certain employees, office premises, furnishings, office equipment and other office expense support without being reimbursed by the Company. Management believes that the shared employee costs that it paid on behalf of Ventures and its other subsidiary exceeded the amount that Ventures paid for shared office facilities and support on behalf of the Company for 2004.

Financial position and results of operations would differ from the amounts in the accompanying financial statements if these related party transactions did not exist.

**NOTE D – RETIREMENT PLAN**

The Company adopted a defined contribution retirement plan with a 401(K) feature covering substantially all employees. Employer contributions are discretionary. There were no discretionary employer contributions for 2004.

**NOTE E – SUBSEQUENT EVENTS**

During January 2005, the Company earned advisory fee revenue of \$100,000. Upon receipt of the advisory fee revenue, the Company paid a management fee to Ventures of \$100,000.

**NOTE F – NET LOSS**

Management made a strategic decision in early 2004 to focus the resources of Ventures and its affiliates on certain principal investment activities. As a result, the Company did not actively pursue significant investment banking activities for the Company during 2004.

Because of the significant cash balance in the Company at the beginning of 2004, management made a decision to retain payroll in the Company for the first five months of 2004 though its employees were focused on efforts for another Ventures' affiliate. Thus, the Company had no investment banking revenues but incurred payroll expenses, and the net loss for the five month period ending May 31, 2004 was \$108,674.

**ECLYPSE SECURITIES, LLC**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2004**

**NOTE F – NET LOSS (CONTINUED)**

On June 1, 2004, the payroll paid by the Company was transferred to another Ventures affiliate and for the period from June 1, 2004 to December 31, 2004, the Company incurred total expenses of \$2,061.

The owners of the Company represent that they intend and have the means to support the Company financially through January 1, 2006.

SUPPLEMENTAL INFORMATION

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SCHEDULE I  
ECLYPSE SECURITIES, LLC

COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1  
OF THE SECURITIES AND EXCHANGE COMMISSION ACT OF 1934  
AS OF DECEMBER 31, 2004

NET CAPITAL:

Total member's equity	\$ 28,930
Less nonallowable assets	<u>(974)</u>
Net capital before haircut	27,956
Less haircuts	<u>-</u>
Net capital	27,956
Less required net capital	<u>(5,000)</u>
Excess net capital	<u>\$ 22,956</u>
Aggregate indebtedness	<u>\$ 748</u>
Percentage of aggregate indebtedness to net capital	<u>2.7%</u>

RECONCILIATION WITH COMPANY'S COMPUTATION OF NET CAPITAL INCLUDED  
IN PART IIA OF FORM X-17A-5 AS OF DECEMBER 31, 2004

There was no significant difference between net capital in the FOCUS Part IIA form and the financial statements.

ECLYPSE SECURITIES, LLC

SCHEDULE II  
COMPUTATION FOR DETERMINATION OF RESERVE REQUIREMENTS  
UNDER RULE 15c3-3 OF THE SECURITIES AND EXCHANGE COMMISSION  
AS OF DECEMBER 31, 2004

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.

SCHEDULE III  
INFORMATION RELATING TO THE POSSESSION OR CONTROL REQUIREMENTS  
UNDER RULE 15c3-3 OF THE SECURITIES AND EXCHANGE COMMISSION  
AS OF DECEMBER 31, 2004

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.

SCHEDULE IV  
STATEMENT OF CHANGES IN LIABILITIES SUBORDINATED  
TO CLAIMS AND GENERAL CREDITORS  
FOR THE YEAR ENDED DECEMBER 31, 2004

The broker dealer is in compliance with the conditions for exemption.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL ACCOUNTING CONTROL  
REQUIRED BY RULE 17a-5

To the Owner  
Eclipse Securities, LLC

In planning and performing our audit of the financial statements of Eclipse Securities, LLC, for the year ended December 31, 2004, we considered its internal control structure, in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

Also, as required by Rule 17a-5(g)(1) of the Securities and Exchange Commission, we have made a study of the practices and procedures (including test of compliance with such practices and procedures) followed by Eclipse Securities, LLC, that we considered relevant to the objective stated in Rule 17a-5(g). We also made a study of the practices and procedures followed by the Company in making the periodic computations of aggregate indebtedness and net capital under Rule 17a-3(a)(11) and the procedure 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 related to the following: (1) in making the quarterly securities examinations, counts, verifications and comparisons, and the recordation of differences required by Rule 17a-13; (2) in complying with the requirements for prompt payment for securities under Section 8 of Regulation T of the Board of Governors of the Federal Reserve System; and (3) in obtaining and maintaining physical possession or control of all fully paid and excess margin securities of customers as required by Rule 15c3-3.

The management of the Company is responsible for establishing and maintaining an internal control structure 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 internal control structure policies and procedures 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 commission's above-mentioned objectives. Two of the objectives of an internal control structure 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 preparation of financial statements in conformity with generally accepted accounting principles. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

Because of inherent limitations in any internal control structure or the practices and procedures referred to above, errors or irregularities 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 the internal control structure would not necessarily disclose all matters in the internal control structure 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 structure elements does not reduce to a relatively low level the risk that errors or irregularities 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 the internal control structure that we consider to be material weaknesses as defined above.

In addition, no facts came to our attention indicating that the exemptive provision of Rule 15c3-3 had not been complied with during the year.

We understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the Commission 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 Commission's objectives.

This report is intended solely for the use of management, the Securities and Exchange Commission, the New York Stock Exchange and other regulatory agencies which rely on Rule 17a-5(g) under the Securities Exchange Act of 1934 and should not be used for any other purpose.

February 8, 2005  
Atlanta, Georgia



RUBIO CPA, PC