

SEC



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

SEC FILE NUMBER
8- 66144

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: (The Trinity Group, LLC (formerly TCS
Capital Markets, LLC)

OFFICIAL USE ONLY
FIRM I.D. NO.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)
(475 17th Ave, Suite 1000

(No. and Street)
Denver CO 80202
(City) (State) (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT
John Couzens 303-225-8280
(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

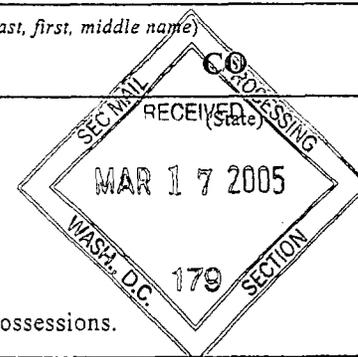
INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*
Spicer Jeffries LLP

(Name - if individual, state last, first, middle name)
5251 S Quebec St, Suite 200 Greenwood Village 80111
(Address) (City) (State) (Zip Code)

CHECK ONE:

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

PROCESSED
MAR 31 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)

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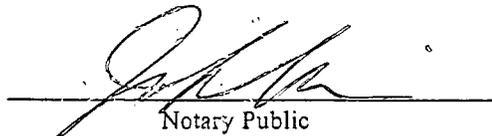
OATH OR AFFIRMATION

I, John Couzens, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of The Trinity Group, 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:


Signature

Managing Member

Title


Notary Public

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(including reconciliation of X-17A-5 Part II filing with this Rule 17a-5(d) report, if applicable.)
- (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.
- (o) Independent Auditors' Report on Internal Accounting Control

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

THE TRINITY GROUP, LLC
(formerly TCS Capital Markets, LLC)

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CERTIFIED PUBLIC ACCOUNTANTS

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GREENWOOD VILLAGE, COLORADO 80111

TELEPHONE: (303) 753-1959

FAX: (303) 753-0338

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INDEPENDENT AUDITORS' REPORT

The Members of
The Trinity Group, LLC

We have audited the accompanying statement of financial condition of The Trinity Group, LLC (formerly TCS Capital Markets, LLC) as of December 31, 2004, and the related statements of income, 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 The Trinity Group, 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 made for the purpose of forming an opinion on the financial statements taken as a whole. The information contained in the supplemental schedule listed in the accompanying index is presented for purposes of additional analysis and is not required for a fair presentation of the 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 our audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

A handwritten signature in cursive script that reads "Spicer Jeffries LLP".

Greenwood Village, Colorado
January 13, 2005

THE TRINITY GROUP, LLC
(formerly TCS Capital Markets, LLC)

STATEMENT OF FINANCIAL CONDITION
AS OF DECEMBER 31, 2004

ASSETS

Cash in bank	\$ 22,640
Prepaid expenses	419
Furniture and equipment, net of accumulated depreciation of \$80	399
Other assets	<u>100</u>
<i>Total assets</i>	<u><u>\$ 23,558</u></u>

LIABILITIES AND MEMBER'S EQUITY

LIABILITIES:

Accounts payable and accrued expenses	\$ 1,985
MEMBER'S EQUITY (Note 2)	<u>21,573</u>
<i>Total liabilities and member's equity</i>	<u><u>\$ 23,558</u></u>

THE TRINITY GROUP, LLC
(formerly TCS Capital Markets, LLC)

STATEMENT OF INCOME
FOR THE YEAR ENDED DECEMBER 31, 2004

REVENUE:

Investment banking fees and expense reimbursements \$ 88,226

EXPENSES:

Client service fees (Note 3) 41,489

Occupancy and indirect expenses (Note 3) 25,200

Professional fees 6,632

Travel and entertainment 7,934

Other general and administrative 2,318

Regulatory, compliance and registration fees 873

Total expenses 84,446

NET INCOME

\$ 3,780

THE TRINITY GROUP, LLC
(formerly TCS Capital Markets, LLC)

STATEMENT OF CHANGES IN MEMBER'S EQUITY
YEAR ENDED DECEMBER 31, 2004

	<u>Member's Equity</u>
BALANCE, January 1, 2004	10,193
Cash contributions	22,600
Cash distributions	(15,000)
Net income	<u>3,780</u>
BALANCE, December 31, 2004	<u><u>\$ 21,573</u></u>

The accompanying notes are an integral part of this statement.

THE TRINITY GROUP, LLC
(formerly TCS Capital Markets, LLC)

STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2004

CASH FLOWS FROM OPERATING ACTIVITIES:	
Net income	\$ 3,780
Adjustments to reconcile net income to net cash used in operating activities:	
Depreciation	80
Increase in prepaid expenses	(419)
Increase in other assets	(100)
Increase in accounts payable and accrued expenses	1,985
	<u>5,326</u>
<i>Net cash provided by operating activities</i>	
	<u>5,326</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Purchase of fixed assets	<u>(479)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:	
Capital contributions	22,600
Capital distributions	<u>(15,000)</u>
	<u>7,600</u>
<i>Net cash provided by financing activities</i>	
	<u>7,600</u>
NET INCREASE IN CASH	12,447
CASH, at beginning of year	<u>10,193</u>
CASH, at end of year	<u><u>\$ 22,640</u></u>

The accompanying notes are an integral part of this statement.

THE TRINITY GROUP, LLC
(formerly TCS Capital Markets, LLC)

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Business

The Trinity Group, LLC (the "Company") was formed as a Colorado limited liability company in July, 2003 under its original name, TCS Capital Markets, LLC, subsequently changing to its current name. It operates as a registered broker-dealer providing investment banking services primarily in the areas of private placements and merger and acquisition advisory services. The Company's only member is Trinity Capital Services, LLC.

The Company, under Rule 15c3-3(k)(2)(ii), is exempt from the reserve and possession or control requirements of Rule 15c3-3 of the Securities and Exchange Commission. The Company does not carry or clear customer accounts and does not engage in a retail securities business. Accordingly, it does not have an arrangement with any broker to clear such transactions or maintain customer accounts.

Revenue Recognition

The Company recognizes client service fee income and expense reimbursement income at the time services are rendered.

Depreciation

The Company provides for depreciation of furniture and equipment on the straight-line method based on the estimated lives of the assets of three years.

Income Taxes

The Company does not pay income taxes and its income, deductions, gains, losses, credits and any resulting income tax liabilities are reported by the beneficial owners of its LLC member. Accordingly, there are no income taxes reported in the financial statements.

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 date of the financial statements and the reported amounts of revenues and expenses during the accounting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of cash flows, the Company considers money market funds and certificates of deposit with a maturity of three months or less be cash equivalents.

THE TRINITY GROUP, LLC
(formerly TCS Capital Markets, LLC)

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(continued)

Financial Instruments

The Company's financial instruments, including cash, prepaid expenses, other assets, payables and other liabilities are carried at amounts that approximate fair value due to the short term nature of those instruments.

NOTE 2 - NET CAPITAL REQUIREMENTS

Pursuant to the net capital provisions of rule 15c3-1 of the Securities Exchange Act of 1934, the Company is required to maintain a minimum net capital, as defined under such provisions. At December 31, 2004, the Company had net capital and net capital requirements of \$20,655 and \$6,000, respectively. The Company's net capital ratio (aggregate indebtedness to net capital) was .10 to 1. According to rule 15c3-1, the Company's net capital ratio shall not exceed 8 to 1 during its initial business year.

NOTE 3 - RELATED PARTY TRANSACTIONS

The Company does not have any employees. It has entered into an agreement with its member that provides it pay the member 50% of all client service fee revenue it receives in exchange for the personnel services needed to serve its clients. These services are primarily for professionals providing private placement and merger and acquisition advisory services. The Company paid its member \$41,489 for such services in 2004. In addition, the Company occupies its member's office space, including furniture and equipment, and is provided non client related administrative support under an agreement with its member paying \$2,100 per month in 2004.

SUPPLEMENTARY SCHEDULE

THE TRINITY GROUP, LLC
(formerly TCS Capital Markets, LLC)

COMPUTATION OF NET CAPITAL
PURSUANT TO NET CAPITAL RULE 15c3-1
DECEMBER 31, 2004

CREDIT:

Member's equity \$ 21,573

DEBITS:

Nonallowable assets
Prepaid expenses 419
Furniture and equipment, net 399
Other assets 100

Total debits 918

NET CAPITAL 20,655

Minimum requirements of 12.5% of aggregate indebtedness of
\$1,985 or \$5,000, whichever is greater 5,000

Excess net capital \$ 15,655

AGGREGATE INDEBTEDNESS:

Accounts payable and accrued expenses \$ 1,985

RATIO OF AGGREGATE INDEBTEDNESS TO NET CAPITAL .10 to 1

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 December 31, 2004.

**INDEPENDENT AUDITORS' REPORT ON
INTERNAL ACCOUNTING CONTROL REQUIRED BY SEC RULE 17a-5**

The Members of
The Trinity Group, LLC

In planning and performing our audit of the financial statements and supplementary information of The Trinity Group, LLC (formerly TCS Capital Markets, LLC) (the "Company") for the year ended December 31, 2004, we considered its internal control structure, including procedures 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 the internal control structure.

Also, as required by Rule 17a5(g)(1) of the Securities and Exchange Commission ("SEC"), we have made a study of the practices and procedures (including tests of compliance with such practices and procedures) followed by The Trinity Group, LLC that we considered relevant to the objectives stated in Rule 17a-5(g), (i) in making the periodic computations of aggregate indebtedness and net capital under Rule 17a-3(a)(11) and the procedures for determining compliance with the exemptive provisions of Rule 15c3-3; and (ii) for safeguarding the occasional receipt of securities and cash until promptly transmitted to the Company's clearing brokers. We did not review the practices and procedures followed by the Company in making the quarterly securities examinations, counts, verifications and comparisons, and the recordation of differences required by Rule 17a-13 or 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, because the Company does not carry security accounts for customers or perform custodial functions relating to customer securities.

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 SEC'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 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.

Because of inherent limitations in any internal control structure or the practices and procedures referred to above, errors 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. This report recognizes that it is not practicable in an organization the size of The Trinity Group, LLC to achieve all the divisions of duties and cross-checks generally included in a system of internal accounting control and that alternatively greater reliance must be placed on surveillance by management.

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 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 the internal control structure, including procedures 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.

In addition, our review indicated that The Trinity Group, LLC was in compliance with the conditions of exemption from Rule 15c3-3 pursuant to paragraph k(2)(ii) as of December 31, 2004, and no facts came to our attention to indicate that such conditions had not been complied with during the year.

This report is intended solely for the use of management, the Securities and Exchange Commission, the New York Stock Exchange, Inc. 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.



Greenwood Village, Colorado
January 13, 2005