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

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 JANUARY 1, 2005 AND ENDING DECEMBER 31, 2005
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: INDIGO SECURITIES, LLC

OFFICIAL USE ONLY

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

FIRM ID. NO.

780 THIRD AVENUE
(No. and Street)

NEW YORK
(CITY)

NY
(state)

10017
(zip Code)

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

ERIC BRACHFELD

212-972-0900
(Area Code - Telephone No.)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Karll, Harvey CPA, P.C.
(NAME- IF INDIVIDUAL STATE LAST, FIRST, MIDDLE NAME)

41 Middle Street
(Address)

Newburyport
(City)

MA
(State)

01950-2755
(ZIP Code)

CHECK ONE:

Certified Public Accountant
Public Accountant

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

PROCESSED
MAR 13 2006
THOMSON FINANCIAL

FOR OFFICIAL USE ONLY



*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 (3-91)

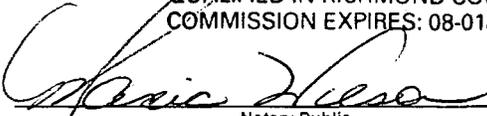
Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid control number

Handwritten signature and date: 3/1/06

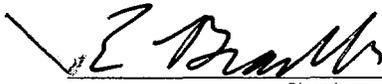
OATH OR AFFIRMATION

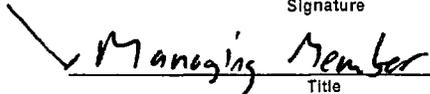
I, Eric Brachfeld swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Indigo Securities, LLC, as of December 31, 2005 are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principle officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

MARIA WILSON
NOTARY PUBLIC, STATE OF NEW YORK
NO: 01-W14939966
QUALIFIED IN RICHMOND COUNTY
COMMISSION EXPIRES: 08-01-2006



Notary Public



Signature


Managing Member
Title

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

- X (a) Facing page.
- X (b) Statement of Financial Condition.
- X (c) Statement of Income (Loss).
- X (d) Statement of Changes in Financial Condition.
- X (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.
- X (g) Computation of Net Capital
- X (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- X (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.
- X (K) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation
- X (l) An Oath or Affirmation
- (m) A copy of the SIPC Supplemental Report.
- X (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 240.17d-5 (e)(3).



Harvey E. Karll CPA, P.C.

41 Middle Street
Newburyport, Massachusetts 01950
(978) 465-9512 Fax (978) 462-9043

Report on Internal Control Required by SEC Rule 17a-5 for a Broker-Dealer Claiming an Exemption From SEC Rule 15c3-3'

Indigo Securities, LLC

In planning and performing our audit of the consolidated financial statements and supplemental schedules of Indigo Securities, LLC (the Company), for the year ended December 31, 2005, 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 (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 (or aggregate debits) 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 securities 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 rule 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 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 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, 2005, to meet the SEC's objectives.

This report is intended solely for the information and use of the members, management, the SEC, 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.

Harvey E Karll CPA, P.C.
Newburyport, Massachusetts
January 9, 2006

Harvey E Karll CPA P.C.

Indigo Securities, LLC
Audited Financial Statements
For The Year Ended December 31, 2005

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Harvey E. Karll CPA, P.C.

41 Middle Street
Newburyport, Massachusetts 01950
(978) 465-9512 Fax (978) 462-9043

INDEPENDENT AUDITORS REPORT

Indigo Securities, LLC
780 Third Ave
New York, NY 10017

I have audited the accompanying Statement of Financial Condition of Indigo Securities, LLC as of December 31, 2005, and the related Statements of Income, Changes in Members Capital, and Cash Flows for the year then ended that you are filing pursuant to rule 17a-5 under the Securities Exchange Act of 1934. 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.

I conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I 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. I believe that our audit provides a reasonable basis for our opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Indigo Securities, LLC as of December 31, 2005, 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.

My audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in Schedule 1, 2 and 3 are presented for the purpose of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by rule 17a-5 under the Securities Exchange Act of 1934. 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.

January 9, 2006

Harvey E. Karll CPA, P.C.

Indigo Securities LLC
Statement of Financial Condition
December 31, 2005

Assets

Cash & Cash Equivalents	\$ 67,432
Commissions Receivable	76,471
Prepaid Expenses	2,000
Prepaid NASD Fees	<u>9,650</u>
	<u>\$155,553</u>

Liabilities and Members Capital

Liabilities:	
Accounts Payable & accrued expenses	\$ 95,422
Members Equity:	
Members Capital	<u>60,131</u>
	<u>\$155,553</u>

(See Accountant's Report & Accompanying Notes)

Indigo Securities LLC
Statement of Income
Twelve Months Ended December 31, 2005

	Year To Date	%
Income		
Private Equity Placement	\$ 977,210	20.4
Commission Inc/Research	3,819,601	79.6
Total Income	4,796,811	100.0
Cost of Sales		
Total Cost of Sales	0	0.0
Gross Profit	4,796,811	100.0
General & Administrative Exp. (See Schedule A)	4,752,790	99.1
Net Income/(Loss) From Operations	44,021	0.9
Other Income		
Interest Income	52	0.0
Total Other Income	52	0.0
Net Income/(Loss) Before Taxes	44,073	0.9
Provision for Income Taxes		
Provision for SIT	9,150	0.2
Total Provision for Income Taxes	9,150	0.2
Net Income/(Loss)	\$ 34,923	0.7

See Accountant's Report

Indigo Securities LLC
Statement of Income
Twelve Months Ended December 31, 2005

	Year To Date	%
General & Administrative Exp. (Schedule A)		
Accounting Fees	\$ 25,392	0.5
Audit Fees	8,000	0.2
Bank Charges	1,331	0.0
Broker Dealer Compliance	24,491	0.5
Compliance Consulting	24,466	0.5
Fidelity Bond	988	0.0
IT Technology	2,852	0.1
Legal Fees	9,736	0.2
Professional Fees-Other	10,331	0.2
Purchased Services	2,245	0.0
Office Expenses	138	0.0
Research Materials	3,850	0.1
Regulatory Fees	13,362	0.3
Rep Commissions	4,625,608	96.4
Total G & A Expense	<u>\$ 4,752,790</u>	99.1

See Accountant's Report

Indigo Securities, LLC
Statement of Changes in Member's Equity
For The Year Ended December 31, 2005

	Members Equity
Balance at beginning of year	\$ 25,208
Net Profit (Loss)	34,923
Distributions to Member	0

Balance at end of year	\$ 60,131 =====

(See Accountant's Report and Accompanying Notes)

Indigo Securities LLC
Statement of Cash Flows
Twelve Months Ended December 31, 2005

Year To Date

Cash Provided from Operations		
Net Income (Loss)	\$	34,923
Adjustments		
Add:		
Accrued Expenses		7,488
Commissions Payable		72,597
Less:		
Commissions Receivable	(74,226)
Prepaid NASD Fees	(1,010)
Accounts Payable	(2,500)
		37,272
Cash from Operations		
		37,272
Cash Flows - Invested		
		0
Investing Cash Flows		
		0
Cash Flows - Financing		
		0
Financing Cash Flows		
		0
Cash Increase (Decrease)		37,272
Cash - Beginning of Year		
Cash-Checking	21,461	
Cash-Money Market	8,699	
		30,160
Total Beginning of Year		30,160
Cash on Statement Date		\$ 67,432

See Accountant's Report

Indigo Securities, LLC
Computation of Net Capital
December 31, 2005

Total Members Equity	\$ 60,131
Less: Non Allowable Assets	<u>15,523</u>
Net Capital	44,608
Less: Capital Requirement	<u>5,000</u>
Excess Net Capital	\$ 39,608 =====
Aggregate Indebtedness	\$ 95,422 =====
Ratio of Aggregate Indebtedness To Net Capital	2.14 to 1.0

See Accountant's Report and Accompanying Notes

Indigo securities, LLC
Notes to Financial Statements
For the Year Ended December 31, 2005

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business

The company is a Delaware limited liability company. The company is a broker/dealer registered with the Securities and Exchange Commission (SEC) and is a member of the National Association of Securities Dealers (NASD).

Income Taxes

A limited liability company is treated as a partnership for both federal and state income tax purposes. Thus, federal and state income (loss) are passed through to the members of the company, and not taxed at the company level. Therefore, no provision or liability for federal or state income taxes are required in these financial statements.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities as of the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Basis of Accounting

The Company uses the accrual method of accounting for financial and tax accounting purposes.

Concentration of Credit Risk

The Company maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. Accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$100,000. At December 31, 2005 the company had nothing in excess of FDIC insured limits. The company has not experienced any losses in such accounts.

(See Accountant's Report and Accompanying Notes)

Indigo Securities, LLC
Notes to Financial Statements
For the Year Ended December 31, 2005

2. Net Capital Requirements

As a broker/dealer, the company is subject to the Securities and Exchange Commission's regulations and operating guidelines, which require the Company to maintain a specified amount of net capital, as defined, and a ratio of aggregate indebtedness to net capital, as derived, not exceeding 15 to 1. The Company's net capital computed under 15c3-1 was \$44,608 at December 31, 2005, which exceed required net capital of \$5,000 by \$39,608. The ratio of aggregate indebtedness to net capital at December 31, 2005 was 2.14 to 1.0.

3. Advertising

The company's policy is to expense the cost of advertising as it is incurred.

4. Cash and Cash Equivalents

Cash and cash equivalents include all cash balances and highly liquid investments with an initial maturity of three months or less.

5. Cash Flows

Cash paid for interest and income taxes is as follows:

Interest	\$	0
	=====	
Income Tax	\$	9150 (prior year Vermont tax)
	=====	

6. Related Party Transactions

The Company's rent and other overhead is paid for by a related company owned by Indigo's members and others.

7. Fair Value of Financial Statements

The company's financial statements are cash and cash equivalents , commissions receivable and commissions payable. The recorded values of cash and cash equivalents, commissions receivable and commissions payable approximate their fair values based on their short-term nature.

(See Accountant's Report and Accompanying Notes)

Indigo Securities
Reconciliation of Audited vs Unaudited Net Capital
As of December 31, 2005

Unaudited Net Capital - As reported in Part IIA Focus	\$ 44,607
Net Audit Adjustments	<u>1</u>
Audited Net Capital	\$ 44,608 =====

(See Accountant's Report and Accompanying Notes)

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT
PART IIA

BROKER OR DEALER Indigo Securities, LLC. as of 12/31/05

EXEMPTIVE PROVISION UNDER RULE 15c3-3

If an exemption from Rule 15c3-3 is claimed, identify below; the section-upon which such exemption is based:

- | | | |
|--|---------------|------------|
| A. (k) (1) \$2,500 capital category as per Rule 15c3-1 | _____ | 4550 |
| B. (k) (2)(A) "Special Account for the exclusive benefit of customers" maintained | _____ x _____ | 4560 |
| C. (k) (2)(B) All customer transactions cleared through another broker-dealer on a fully disclosed basis | | |
| Name of clearing firm - _____ | 4335 | _____ 4570 |
| D. (k) (3) Exempted by order of the Commission | _____ | 4580 |

(See Accountant's Audit Report & Accompanying Notes)