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

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 01/01/05 AND ENDING 12/31/05  
MM/DD/YY MM/DD/YY

## A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER:

**Allegiant Securities LLC**

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

**20 SE 1<sup>st</sup> Street, Suite 502**

(No. and Street)

**Miami**

**FL**

**33131**

(City)

(State)

(Zip Code)

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

**Dennis Flanagan**

**(305) 672-1222 ext. 207**

(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**

**Atlanta**

**Georgia**

**30339**

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

Certified Public Accountant

Public Accountant

Accountant not resident in United States or any of its possessions

PROCESSED

JUN 12 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)

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SEC 1410 (06-02)

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**ALLEGIANT SECURITIES LLC**  
**Financial Statements**  
**For the Year Ended**  
**December 31, 2005**  
**With**  
**Independent Auditor's Report**

**INDEPENDENT AUDITOR'S REPORT**

To the Parent  
Allegiant Securities LLC

We have audited the accompanying balance sheet of Allegiant Securities LLC, as of December 31, 2005 and the related statements of operations, changes in member's equity, and cash flows for the year then ended that you are filing pursuant to rule 17a-5 under the Securities and 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.

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 Allegiant 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.

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 and III 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.

March 7, 2006  
Atlanta, Georgia



RUBIO CPA, PC

**ALLEGIANT SECURITIES LLC**  
**BALANCE SHEET**  
**DECEMBER 31, 2005**

ASSETS

	<u>2005</u>
Cash and cash equivalents	\$ 9,274
Due from Parent	14,661
Office equipment, net of accumulated depreciation of \$85	1,625
Prepaid expenses	<u>1,705</u>
 Total Assets	 <u>\$ 27,265</u>

LIABILITIES AND MEMBER'S EQUITY

<b>LIABILITIES</b>	
Accounts payable	\$ <u>1,240</u>
 Total Liabilities	 <u>1,240</u>
 <b>MEMBER'S EQUITY</b>	 <u>26,025</u>
 Total Liabilities and Member's Equity	 <u>\$ 27,265</u>

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

**ALLEGIANT SECURITIES LLC**  
**STATEMENT OF OPERATIONS**  
For the Year Ended December 31, 2005

	<u>2005</u>
REVENUES	\$ <u>          -</u>
Total revenues	<u>                  -</u>
GENERAL AND ADMINISTRATIVE EXPENSES	
Operating expenses	<u>          (12,599)</u>
Total expenses	<u>          (12,599)</u>
NET LOSS	<u>\$ (12,599)</u>

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

**ALLEGIANT SECURITIES LLC**  
**STATEMENT OF CASH FLOWS**  
For the Year Ended December 31, 2005

	<u>2005</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Net loss	\$ (12,599)
Adjustments to reconcile net loss to net cash used in operations:	
Depreciation	85
Increase in accounts payable	1,240
Decrease in prepaid expenses	<u>2,795</u>
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	<b>(8,479)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>	
Purchase of property and equipment	<u>(1,710)</u>
<b>NET CASH USED BY INVESTING ACTIVITIES</b>	<b>(1,710)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES:</b>	
Decrease in due from owner	<u>18,023</u>
<b>NET CASH PROVIDED BY FINANCING ACTIVITIES</b>	<u>18,023</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>7,834</b>
<b>CASH AND CASH EQUIVALENTS BALANCE:</b>	
Beginning of year	<u>1,440</u>
End of year	<u>\$ 9,274</u>

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

**ALLEGIANT SECURITIES LLC**  
**STATEMENT OF CHANGES IN MEMBER'S EQUITY**  
For the Year Ended December 31, 2005

Balance, December 31, 2004	\$ 38,624
Net loss	<u>(12,599)</u>
Balance, December 31, 2005	<u>\$ 26,025</u>

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

**ALLEGIANT SECURITIES LLC**  
**NOTES TO FINANCIAL STATEMENTS**

December 31, 2005

NOTE A — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Description of Business: Allegiant Securities LLC (the "Company"), a Delaware Limited Liability Company, was organized in March 2004 and became broker-dealers in June 2005. The Company is a securities broker-dealer registered with the Securities and Exchange Commission ("SEC") and the National Association of Securities Dealers, Inc. ("NASD").

The Company is wholly-owned by Allegiant Financial, Inc. ("Member" or "Parent"). The Company has not yet commenced active operations.

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.

Office Equipment: Office equipment is recorded at cost. Depreciation is provided by use of straight-line methods over the estimated useful lives of the respective assets of five years.

Income Taxes: The Company is wholly-owned by Allegiant Financial, Inc. ("Parent"), which has elected S corporation status. Income or losses of the Company flow through to the stockholders of the Parent 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 8 to 1. At December 31, 2005, the Company had net capital of \$8,034, which was \$3,034 in excess of its required net capital of \$5,000 and its ratio of aggregate indebtedness to net capital was .15 to 1.0.

**ALLEGIANT SECURITIES LLC**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2005

**NOTE C – NET LOSS**

The Company has no revenues since inception and has been dependent upon capital contributions from its member for working capital and net capital. Management expects the Company to continue as a going concern and the accompanying financial statements have been prepared on a going-concern basis without adjustments for realization in the event that the Company ceases to continue as a going concern.

**NOTE D – RELATED PARTIES**

The Company has an expense sharing agreement with its Parent. Under the agreement, which expires March 8, 2006, the Parent provides the Company with office facilities and certain other general and administrative support at no cost to the Company.

**SUPPLEMENTAL INFORMATION**

**SCHEDULE I**  
**ALLEGIANT SECURITIES LLC**

**COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1**  
**OF THE SECURITIES AND EXCHANGE COMMISSION ACT OF 1934**  
**AS OF DECEMBER 31, 2005**

NET CAPITAL:

Total member's equity	<u>\$ 26,025</u>
Less nonallowable assets:	
Due from owner	14,661
Office equipment	1,625
Prepaid expenses	<u>1,705</u>
	<u>17,991</u>
Net capital before haircuts	8,034
Less haircuts	<u>-</u>
Net capital	8,034
Minimum net capital required	<u>5,000</u>
Excess net capital	<u>\$ 3,034</u>
Aggregate indebtedness	<u>\$ 1,240</u>
Net capital based on aggregate indebtedness	<u>\$ 155</u>
Ratio of aggregate indebtedness to net capital	<u>.15 to 1.0</u>

**RECONCILIATION WITH COMPANY'S COMPUTATION OF NET CAPITAL INCLUDED**  
**IN PART IIA OF FORM X-17A-5 AS OF DECEMBER 31, 2005**

There is no significant difference between net capital as reported in Form X-17A-5 and net capital stated above.

**ALLEGIANT SECURITIES LLC**

**SCHEDULE II  
COMPUTATION FOR DETERMINATION OF RESERVE REQUIREMENTS  
UNDER RULE 15c3-3 OF THE SECURITIES AND EXCHANGE COMMISSION  
AS OF DECEMBER 31, 2005**

The Company is exempt from the provisions of Rule 15c3-3 under the Securities Exchange Act of 1934, pursuant to paragraph (k)(2)(i) of the rule.

**SCHEDULE III  
INFORMATION RELATING TO THE POSSESSION OR CONTROL REQUIREMENTS  
UNDER RULE 15c3-3 OF THE SECURITIES AND EXCHANGE COMMISSION  
AS OF DECEMBER 31, 2005**

The Company is exempt from the provisions of Rule 15c3-3 under the Securities Exchange Act of 1934, pursuant to paragraph (k)(2)(i) of the rule.

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

To the Parent  
Allegiant Securities LLC

In planning and performing our audit of the financial statements of Allegiant Securities LLC, for the year ended December 31, 2005, 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 Allegiant 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.

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, 2005 to meet the Commission's objectives.

This report recognizes that it is not practicable in an organization the size of the Company to achieve all the division 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.

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 in their regulation of registered brokers and dealers and should not be used for any other purpose.

March 7, 2006  
Atlanta, Georgia



RUBIO CPA, PC