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

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: FIDUS SECURITIES, LLC

OFFICIAL USE ONLY
FIRM I.D. NO.

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

101 NORTH TRYON STREET, SUITE 1050

(No. and Street)

CHARLOTTE

NC

28246

(City)

(State)

(Zip Code)

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

MR. EDWARD IMBROGNO, DESIGNATED PRINCIPAL

704-334-2215

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

GREER & WALKER, LLP

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

201 SOUTH TRYON STREET, SUITE 1500

CHARLOTTE

NC

28202

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

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

PROCESSED

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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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Handwritten signature/initials

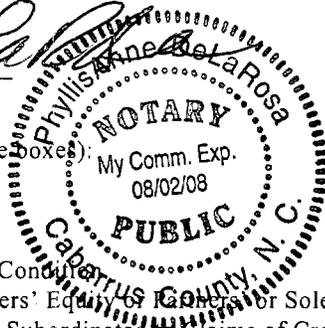
OATH OR AFFIRMATION

I, EDWARD IMBROGNO, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of FIDUS SECURITIES, LLC, as of DECEMBER 31, 20 05, 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

DESIGNATED PRINCIPAL 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.
(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).

FIDUS SECURITIES, LLC

Financial Statements and Supplemental Schedules
for the Year Ended December 31, 2005 and
Independent Auditors' Report

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INDEPENDENT AUDITORS' REPORT

Fidus Securities, LLC:

We have audited the accompanying statement of financial condition of Fidus Securities, LLC as of December 31, 2005 and the related statements of operations, of changes in member's equity, of changes in liabilities subordinated to claims of general creditors, and of cash flows for the year then ended, that the Company is 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. As explained in Note 3 to the financial statements, Fidus Securities, LLC is a wholly-owned subsidiary of Fidus Partners, LLC.

We conducted our audit in accordance with auditing standards generally accepted in the United States. 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 Fidus 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.

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 supplemental schedules on pages 8 through 12 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 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.

Greer & Walker, LLP

January 27, 2006

TRUSTED BUSINESS ADVISORS

FIDUS SECURITIES, LLC

STATEMENT OF FINANCIAL CONDITION
DECEMBER 31, 2005

ASSETS

CASH \$ 93,950

LIABILITIES AND MEMBER'S EQUITY

LIABILITIES \$ -

MEMBER'S EQUITY 93,950

TOTAL LIABILITIES AND MEMBER'S EQUITY \$ 93,950

See notes to financial statements.

FIDUS SECURITIES, LLC

STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2005

REVENUE	<u>\$ 125,000</u>
EXPENSES:	
Office services	160,653
Professional fees	17,428
Business licenses and fees	5,146
Bank fees	11
Total expenses	<u>183,238</u>
NET LOSS	<u>\$ (58,238)</u>

See notes to financial statements.

FIDUS SECURITIES, LLC

STATEMENT OF CHANGES IN MEMBER'S EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2005

MEMBER'S EQUITY, DECEMBER 31, 2004	\$	24,169
CONTRIBUTIONS FROM MEMBER		128,019
NET LOSS		<u>(58,238)</u>
MEMBER'S EQUITY, DECEMBER 31, 2005	\$	<u>93,950</u>

See notes to financial statements.

FIDUS SECURITIES, LLC

STATEMENT OF CHANGES IN LIABILITIES SUBORDINATED TO CLAIMS OF
GENERAL CREDITORS FOR THE YEAR ENDED DECEMBER 31, 2005

SUBORDINATED LIABILITIES, DECEMBER 31, 2004	\$	-
CHANGE IN SUBORDINATED LIABILITIES FOR THE YEAR ENDED DECEMBER 31, 2005		<hr/> -
SUBORDINATED LIABILITIES, DECEMBER 31, 2005	\$	<hr/> <hr/> -

See notes to financial statements.

FIDUS SECURITIES, LLC

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2005

CASH FLOWS FROM OPERATING ACTIVITIES:

Net loss	\$	(58,238)
Adjustments to reconcile net loss to net cash from operating activities:		
Contribution of office services from member		128,019
Decrease in accounts payable		<u>(1,000)</u>
Net cash provided by operating activities		<u>68,781</u>
CASH, DECEMBER 31, 2004		<u>25,169</u>
CASH, DECEMBER 31, 2005	\$	<u>93,950</u>

See notes to financial statements.

FIDUS SECURITIES, LLC

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2005

1. SUMMARY OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES

Operations - Fidus Securities, LLC (the "Company") is a limited liability company that operates as a registered broker-dealer. As a registered broker-dealer the Company primarily represents clients in merger and acquisition related activities composed primarily of sell-side transactions structured as the sale of corporate stock or other securities to institutional or corporate acquirers. The Company is registered with the Securities and Exchange Commission, and is a member of the National Association of Security Dealers and the Securities Investor and Protection Corporation.

Use of Accounting Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of certain assets and liabilities and disclosures. Accordingly, the actual amounts could differ from those estimates. Any adjustments applied to estimated amounts are recognized in the year in which such adjustments are determined.

Income Taxes - For income tax purposes, the Company is considered to be a general partnership. No provision for federal or state income taxes has been made in the accompanying financial statements since the member includes the Company's taxable income or losses in its income tax returns. Temporary differences exist between income or loss recognized for financial reporting and income tax purposes. Such differences primarily relate to the use of the accrual basis of accounting for financial reporting purposes and the cash basis of accounting for income tax purposes.

2. NET CAPITAL REQUIREMENTS

The Company is subject to the Securities and Exchange Commission's Uniform Net Capital Rule (SEC 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. As of December 31, 2005, the Company had net capital of \$93,950 which was \$88,950 in excess of its required net capital of \$5,000. The Company had no aggregate indebtedness at December 31, 2005 and therefore the net capital ratio does not apply.

3. RELATED PARTY AND CONCENTRATION

The Company is a wholly-owned subsidiary of Fidus Partners, LLC, and was established to process certain transactions initiated by its parent company that require the services of a registered broker-dealer. Only transactions that relate specifically to broker-dealer activities result in revenue being recognized by the Company. All of the Company's revenue is derived from the clients of its parent company. The parent company allocates 10% of its common office overhead expenses to the Company in the form of an office services charge. The Company incurred \$160,653 in such charges for the year ended December 31, 2005, of which \$128,019 was offset by a capital contribution from its parent company.

FIDUS SECURITIES, LLC

SUPPLEMENTAL DISCLOSURES, DECEMBER 31, 2005

1. The Company is exempt from the SEC Rule 15c3-3 Reserve Requirement under exemption k(2)i.

See independent auditors' report.

FIDUS SECURITIES, LLC

RECONCILIATION OF NET CAPITAL AS OF DECEMBER 31, 2005
UNDER RULE 15C3-1 OF THE SECURITIES AND EXCHANGE COMMISSION

NET CAPITAL, DECEMBER 31, 2005 (Unaudited)	\$	93,950
ADJUSTMENTS		<u>-</u>
NET CAPITAL, DECEMBER 31, 2005 (Audited)	\$	<u>93,950</u>

See independent auditors' report.

COMPUTATION OF NET CAPITAL

1.	Total ownership equity from Statement of Financial Condition		93,950
		[3480]	<hr/>
2.	Deduct ownership equity not allowable for Net Capital		[3490]
			<hr/>
3.	Total ownership equity qualified for Net Capital		93,950
			[3500]
4.	Add:		
	A. Liabilities subordinated to claims of general creditors allowable in computation of net capital		<hr/>
			0
		[3520]	<hr/>
	B. Other (deductions) or allowable credits (List)		
		<hr/>	
	[3525A]	[3525B]	
		<hr/>	
	[3525C]	[3525D]	
		<hr/>	
	[3525E]	[3525F]	
			<hr/>
			0
			[3525]
5.	Total capital and allowable subordinated liabilities		<hr/>
			93,950
			[3530]
6.	Deductions and/or charges:		
	A. Total nonallowable assets from Statement of Financial Condition (Notes B and C)	<hr/>	
		0	
		[3540]	
	B. Secured demand note deficiency	<hr/>	
		[3590]	
	C. Commodity futures contracts and spot commodities - proprietary capital charges	<hr/>	
		[3600]	
	D. Other deductions and/or charges	<hr/>	
		[3610]	
			<hr/>
			0
			[3620]
7.	Other additions and/or credits (List)		
		<hr/>	
	[3630A]	[3630B]	
		<hr/>	
	[3630C]	[3630D]	
		<hr/>	
	[3630E]	[3630F]	
			<hr/>
			0
			[3630]
8.	Net capital before haircuts on securities positions		<hr/>
			93,950
			[3640]
9.	Haircuts on securities (computed, where applicable, pursuant to 15c3-1(f)):		
	A. Contractual securities commitments	<hr/>	
		[3660]	
	B. Subordinated securities borrowings	<hr/>	
		[3670]	
	C. Trading and investment securities:		
	1. Exempted securities	<hr/>	
		[3735]	
	2. Debt securities	<hr/>	
		[3733]	

See independent auditors' report.

3. Options		[3730]	
4. Other securities		[3734]	
D. Undue Concentration		[3650]	
E. Other (List)			
	[3736A]	[3736B]	
	[3736C]	[3736D]	
	[3736E]	[3736F]	
		0	0
		[3736]	[3740]
10. Net Capital			93,950
			[3750]

COMPUTATION OF BASIC NET CAPITAL REQUIREMENT

Part A

11. Minimum net capital required (6-2/3% of line 19)	0
	[3756]
12. Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries computed in accordance with <u>Note(A)</u>	5,000
	[3758]
13. Net capital requirement (greater of line 11 or 12)	5,000
	[3760]
14. Excess net capital (line 10 less 13)	88,950
	[3770]
15. Excess net capital at 1000% (line 10 less 10% of line 19)	93,950
	[3780]

COMPUTATION OF AGGREGATE INDEBTEDNESS

16. Total A.I. liabilities from Statement of Financial Condition	0
	[3790]
17. Add:	
A. Drafts for immediate credit	[3800]
B. Market value of securities borrowed for which no equivalent value is paid or credited	[3810]
C. Other unrecorded amounts(List)	
	[3820A]
	[3820B]
	[3820C]
	[3820D]
	[3820E]
	[3820F]
	0
	0

See independent auditors' report.

	[3820]		[3830]
19. Total aggregate indebtedness		_____	0
			[3840]
20. Percentage of aggregate indebtedness to net capital (line 19 / line 10)		% _____	0
			[3850]

OTHER RATIOS

21. Percentage of debt to debt-equity total computed in accordance with Rule 15c3-1(d)		% _____	0
			[3860]

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

Fidus Securities, LLC:

In planning and performing our audit of the financial statements and supplemental schedules of Fidus Securities, LLC (the "Company") for the year ended December 31, 2005, we considered its internal control 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 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 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.

TRUSTED BUSINESS ADVISORS

SOUTH TRYON SQUARE, 201 SOUTH TRYON STREET, SUITE 1500, CHARLOTTE, NC 28202 USA

TELEPHONE 704-377-0239 • FACSIMILE 704-377-8663 • WWW.GREERWALKER.COM

MEMBERS OF: AMERICAN INSTITUTE OF CPAs • FINANCIAL CONSULTING GROUP, L.L.C. • PKF INTERNATIONAL

Because of the inherent limitations in internal control or the practices and procedures referred to above, errors or fraud may occur and may 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 errors or fraud in amounts that would be material in relation to the financial statements being audited may occur and may 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 controls 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 management, the Securities and Exchange Commission, the National Association of Securities Dealers 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 is not intended to be and should not be used by anyone other than these specified parties.

Green & Walker, LLP

January 27, 2006