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<b>OMB APPROVAL</b>	
OMB Number:	3235-0123
Expires:	January 31, 2007
Estimated average burden hours per response.....	12.00

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

<b>SEC FILE NUMBER</b>
8- 52824

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 10/01/06 AND ENDING 09/30/07  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: Capital Path Securities, LLC

<b>OFFICIAL USE ONLY</b>
<b>FIRM I.D. NO.</b>

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

71 Somerset Road

(No. and Street)

Rocky Point

NY

11778

(City)

(State)

(Zip Code)

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

William Davis

(631) 849-2667

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

Dunleavy & Company, P.C.

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

13116 South Western Avenue, Blue Island, Illinois, 60406

(Address)

(City)

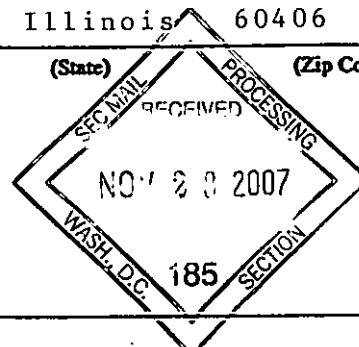
(State)

(Zip Code)

CHECK ONE:

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

**PROCESSED**  
JAN 17 2008  
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)

OATH OR AFFIRMATION

I, William Davis, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Capital Path Securities, LLC, as of September 30, 2007, 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:

NONE

HEATHER A. DAVIS  
Notary Public, State of New York  
No. 01DA6056870  
Qualified in Suffolk County  
Commission Expires May 6, 2011

  
Signature

President  
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 ~~Equity and Cash Flows~~ Cash Flows.
- (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 240.17a-5(e)(3).

CAPITAL PATH SECURITIES, LLC  
STATEMENT OF FINANCIAL CONDITION  
AND INDEPENDENT AUDITORS' REPORT

SEPTEMBER 30, 2007

# DUNLEAVY & COMPANY, P.C.

CERTIFIED PUBLIC ACCOUNTANTS  
13116 SOUTH WESTERN AVENUE  
BLUE ISLAND, ILLINOIS 60406

(708) 489-1680  
Fax: (708) 489-1717

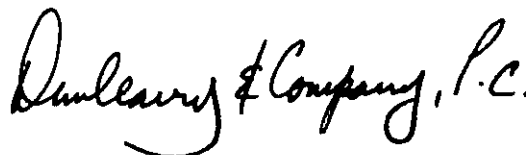
## INDEPENDENT AUDITORS' REPORT

Member of  
Capital Path Securities, LLC

We have audited the accompanying statement of financial condition of Capital Path Securities, LLC as of September 30, 2007 that you are filing pursuant to rule 17a-5 under the Securities and Exchange Act of 1934. This financial statement is the responsibility of the Company's management. Our responsibility is to express an opinion on this financial statement 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 statement of financial condition is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement of financial condition. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall statement of financial condition presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the statement of financial condition referred to above presents fairly, in all material respects, the financial position of Capital Path Securities, LLC as of September 30, 2007, in conformity with accounting principles generally accepted in the United States of America.



DUNLEAVY & COMPANY, P. C.  
Certified Public Accountants

Blue Island, Illinois  
November 7, 2007

CAPITAL PATH SECURITIES, LLC

STATEMENT OF FINANCIAL CONDITION

SEPTEMBER 30, 2006

ASSETS

Cash and cash equivalents	\$ 102,735
Receivable from broker/dealers	111,436
Securities owned, at market or fair value	51,150
Prepaid expense	471
Office equipment, at cost, net of \$600 accumulated depreciation	<u>6,399</u>
 TOTAL ASSETS	 <u>\$ 272,191</u>

LIABILITIES AND MEMBER'S CAPITAL

LIABILITIES

Accounts payable	\$ 4,550
Commissions payable	6,025
Securities sold, not yet purchased	<u>2,400</u>

Total Liabilities	<u>\$ 12,975</u>
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MEMBER'S CAPITAL	<u>\$ 259,216</u>
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TOTAL LIABILITIES AND MEMBER'S CAPITAL	<u>\$ 272,191</u>
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The accompanying notes are an integral part of this financial statement.

CAPITAL PATH SECURITIES, LLC

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2007

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

Organization - The Company, a limited liability company, was organized in the state of Connecticut on August 7, 2000. The Company is registered as a broker/dealer with the Securities and Exchange Commission and is a member of the Financial Industry Regulatory Authority (FINRA), formerly known as the National Association of Securities Dealers, Inc. (NASD). The Company's principal business activity is the purchase and sale of securities.

Long and Short Securities - Securities positions are valued at market value or at the estimated fair value, as determined by the Board of Directors. The resulting difference between cost and market (or fair value) is included in income.

Securities Transactions - Securities transactions of the Company, including commission revenue and related expense, are recorded on a trade date basis, which is the same business day as the transaction date.

Cash Equivalents - Cash equivalents are defined as certificates of deposit and U.S. government obligations with a maturity date, when acquired by the Company, of less than 90 days and those securities registered under the Investment Company Act of 1940 which are comprised of cash and other short-term debt instruments and are commonly referred to as "money market funds."

Depreciation - Depreciation of office equipment is provided for using the straight-line method over a five year period.

Concentration of Risk - The Company's cash is on deposit at one financial institution and the balance at times may exceed the federally insured limit. Due to the strong credit rating of this financial institution, the Company believes it is not exposed to any significant credit risk to cash.

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 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 reporting period. Actual results could differ from those estimates.

CAPITAL PATH SECURITIES, LLC  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED SEPTEMBER 30, 2007

NOTE 2 - SECURITIES OWNED AND SOLD, NOT YET PURCHASED

Marketable securities owned consist of trading and investment securities at market or estimated fair value as follows:

	<u>Owned</u>	<u>Sold, Not yet Purchased</u>
Equity Securities	\$ 51,150	-0-
Options	-0-	2,400
<b>Totals</b>	<b><u>\$ 51,150</u></b>	<b><u>\$ 2,400</u></b>

NOTE 3 - NET CAPITAL REQUIREMENTS

As a registered broker/dealer and member of the Financial Industry Regulatory Authority, the Company is subject to the Uniform Net Capital Rule, 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 1500%. At September 30, 2007, the Company's net capital and required net capital were \$244,673 and \$100,000 respectively. The ratio of aggregate indebtedness to net capital was 4%.

NOTE 4 - RELATED PARTY TRANSACTIONS

The sole member and officer of the Company have provided office space to the Company during the year ended September 30, 2007 at no charge.

NOTE 5 - OFF-BALANCE-SHEET RISK AND CLEARING AGREEMENT

The Company enters into various transactions involving derivatives and other off-balance sheet financial instruments, including exchange-traded and over-the-counter options. These derivative financial instruments are used to meet the needs of the customers and conduct trading activities and are,

CAPITAL PATH SECURITIES, LLC

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2007

NOTE 5 - OFF-BALANCE-SHEET RISK AND CLEARING AGREEMENT - *(Continued)*

therefore, subject to varying degrees of market and credit risk. Derivative transactions are entered into for trading purposes or to economically hedge other positions or transactions.

As a writer of options, the Company or its customers receive a premium in exchange for giving the counterparty the right to buy or sell the security at a future date at a contracted price. The contractual or notional amounts related to these financial instruments reflect the volume and activity and do not reflect the amounts at risk. The credit risk for options is limited to the unrealized market valuation gains recorded in the statement of financial condition. Market risk is substantially dependent upon the value of the underlying financial instruments and is affected by market forces such as volatility and changes in interest and foreign exchange rates.

In addition, the Company has sold securities that it does not currently own and will therefore be obligated to purchase such securities at a future date. The Company has recorded these obligations in the financial statements at September 30, 2007, at market values of the related securities and will incur a loss, if the market value of the securities increases subsequent to September 30, 2007.

In order to facilitate the aforementioned transactions, as well as other transactions, on January 22, 2007, the Company entered into an agreement with another broker/dealer (Clearing Broker/dealer) whereby the Company forwards (introduces) customer securities transactions to the Clearing Broker/dealer, fully disclosing the customer name and other information. The processing and, if applicable, any financing pertaining to the introduced transactions are performed by the Clearing Broker/dealer. The customer account is therefore maintained and recorded in the books and records of the Clearing Broker/dealer on the Company's behalf. Pursuant to terms of the agreement, the Company is prohibited from entering into any other similar agreements unless it receives prior written approval from the Clearing Broker/dealer. The Company is required to maintain a deposit of \$10,000 with the Clearing Broker/dealer to assure the Company's performance under the agreement. The initial term is five



CAPITAL PATH SECURITIES, LLC

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2007

NOTE 5 - OFF-BALANCE-SHEET RISK AND CLEARING AGREEMENT - *(Continued)*

years and will automatically renew for additional one year terms unless notification is provided by either party 90 days prior to the termination date. After the initial five year term, either party may terminate the agreement by providing written notification prior to any subsequent termination date. Upon termination, the Company may be subject to termination fees equal to the greater of the total cost of transfer fees incurred by the Clearing Broker/dealer or a minimum fee of \$3,000.

Additional provisions of the agreement state that the Company is to be held responsible for any losses arising when the customers introduced by the Company to the Clearing Broker/dealer fail to meet their contractual commitments pertaining to the purchase, sale and possible financing of securities transactions. The Company may therefore be exposed to off-balance-sheet risk in the event the customer is unable to fulfill its contracted obligations and it is necessary for the Clearing Broker/dealer to purchase or sell the securities at a loss. The Company's exposure to risk would consist of the amount of the loss realized on the purchase or sale and any additional expenses incurred pertaining to the transaction or other customer activity.

NOTE 6 - OPERATING AGREEMENT

The Company's operating agreement provides that: 1) the Company's duration will be perpetual; 2) profits and losses will be allocated to members based upon each member's percentage of ownership interest in the Company; 3) withdrawals and other distributions to members are prohibited without the written consent of all members; 4) any distributions of cash or other property will be made based upon each member's percentage of ownership interest in the Company; and 5) unless all remaining members of the Company promptly vote to continue its legal existence, the Company will terminate upon the death, legal or physical incapacity, or termination of any member.

The operating agreement also prohibits the transfer or encumbrance of all or a portion of any membership interest without approval of all the Company's members.

**END**