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ANNUAL AUDITED REPORT

FORM X-17A-5  
PART III

FEB 29 2008

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FACING PAGE

Washington, DC

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 09/12/2007 AND ENDING 12/31/07  
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: R. J. O'BRIEN SECURITIES, LLC

OFFICIAL USE ONLY

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

FIRM I.D. NO.

222 SOUTH RIVERSIDE PLAZA SUITE 900

(No. and Street)

CHICAGO

(City)

ILLINOIS

(State)

60606

(Zip Code)

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

STEVEN ANDREWS

312-373-5215

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

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

KPMG LLP

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

303 EAST WACKER DR, 17th FL CHICAGO, IL

(Address)

(City)

(State)

60601-5212

(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

\*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)

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 OMB control number.

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OATH OR AFFIRMATION

I, ED. KEILEY, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of R. J. O'BRIEN SECURITIES LLC as of DECEMBER 31, 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



Adele Griffith  
Notary Public

[Signature]  
Signature

CHIEF FINANCIAL OFFICER  
Title

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).



**R.J. O'BRIEN SECURITIES, LLC**

**Financial Statements and Schedules**

**December 31, 2007**

**(With Independent Auditors' Report Thereon)**



KPMG LLP  
303 East Wacker Drive  
Chicago, IL 60601-5212

## Independent Auditors' Report

The Board of Directors  
R.J. O'Brien Securities, LLC:

We have audited the accompanying statement of financial condition of R.J. O'Brien Securities, LLC (the Company) as of December 31, 2007, and the related statements of operations, changes in member's equity, and cash flows for the period from September 12, 2007 (commencement of operations) to December 31, 2007 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.

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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, 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 R.J. O'Brien Securities, LLC as of December 31, 2007, and the results of its operations and its cash flows for the period from September 12, 2007 (commencement of operations) to December 31, 2007 in conformity with U.S. generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in schedules 1 and 2 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.

KPMG LLP

February 28, 2008

**R.J. O'BRIEN SECURITIES, LLC**

Statement of Financial Condition

December 31, 2007

**Assets**

Cash	\$	59,767
Firm securities		948,955
Prepaid expense		<u>1,752</u>
Total assets	\$	<u><u>1,010,474</u></u>

**Liabilities and Member's Equity**

Due to affiliates	\$	5,516
Accounts payable and accrued expenses		<u>8,437</u>
Total liabilities		13,953
Member's equity		<u>996,521</u>
Total liabilities and member's equity	\$	<u><u>1,010,474</u></u>

See accompanying notes to financial statements.

**R.J. O'BRIEN SECURITIES, LLC**

Statement of Operations

Period from September 12, 2007  
(commencement of operations) through December 31, 2007

Revenues:		
Interest		\$ 29,916
		<u>29,916</u>
Total revenues		<u>29,916</u>
Expenses:		
Management fees		599
Legal and professional fees		15,472
Other operating expenses		17,324
		<u>33,395</u>
Total expenses		<u>33,395</u>
Net loss		\$ <u><u>(3,479)</u></u>

See accompanying notes to financial statements.

**R.J. O'BRIEN SECURITIES, LLC**  
Statement of Changes in Member's Equity  
Period from September 12, 2007  
(commencement of operations) to December 31, 2007

Balance at September 12, 2007 (commencement of operations)	\$ —
Member contributions	1,000,000
Net loss	<u>(3,479)</u>
Balance at December 31, 2007	<u>\$ 996,521</u>

See accompanying notes to financial statements.

**R.J. O'BRIEN SECURITIES, LLC**

**Statement of Cash Flows**

**Period from September 12, 2007  
(commencement of operations) to December 31, 2007**

Cash flows from operating activities:	
Net loss	\$ (3,479)
Adjustments to reconcile net loss to net cash provided by operating activities:	
Increase in assets:	
Accrued interest on firm securities	(7,837)
Prepaid expense	(1,752)
Increase in liabilities:	
Due to affiliates	5,516
Accounts payable and accrued expenses	8,437
Net cash provided by operating activities	<u>885</u>
Cash flows from investing activity:	
Purchase of firm securities	<u>(941,118)</u>
Cash flows from financing activity:	
Member contributions	<u>1,000,000</u>
Net increase in cash	59,767
Cash at beginning of period	<u>—</u>
Cash at end of period	<u>\$ 59,767</u>

See accompanying notes to financial statements.

# R.J. O'BRIEN SECURITIES, LLC

## Notes to Financial Statements

December 31, 2007

### (1) Summary of Significant Accounting Policies

The accounting and reporting policies of R.J. O'Brien Securities, LLC conform to U.S. generally accepted accounting principles and to general practices within the securities industry. The following is a description of the more significant of those policies that the Company follows in preparing its financial statements.

#### (a) *Organization*

R.J. O'Brien Securities, LLC (the Company), a wholly owned subsidiary of RJO Holdings Corp. (the Parent), is a registered broker and dealer in securities under the Securities Exchange Act of 1934. The Company was originally incorporated in February 2007 in the state of Illinois. In July of 2007, it was reincorporated as an LLC in Delaware. Operations of the Company commenced on September 12, 2007. At commencement, the Company's primary business was to serve as lead selling agent for a commodity pool administered by an affiliated entity, which engages in the trading of commodity futures and options contracts. As of December 31, 2007, the Company did not have any significant operations.

R.J. O'Brien Securities carries no margin accounts and does not hold funds or securities for customers.

#### (b) *Income Taxes*

The Company is organized as a limited liability company and has no federal tax liability. State tax liabilities are determined under individual state laws.

#### (c) *Use of Estimates*

The preparation of financial statements in conformity with U.S. 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.

### (2) Related Parties

At December 31, 2007, the Company had an amount due to R.J. O'Brien & Associates, LLC of \$5,516 for certain shared expenses in accordance with an Expense Sharing Agreement dated July 12, 2007. The Expense Sharing Agreement provides for R.J. O'Brien & Associates, LLC to provide certain services to the Company. The Company will pay a monthly fee in an amount equal to the cost of the expenses incurred in connection with providing these services and are included in the statement of operations. As the Company has not fully begun operations, unallocated expenses in the agreement were not significant at December 31, 2007.

**R.J. O'BRIEN SECURITIES, LLC**

Notes to Financial Statements

December 31, 2007

**(3) Regulatory Requirements**

Pursuant to the Securities and Exchange Commission Uniform Net Capital Rule, the Company is required to maintain minimum net capital and maintain an allowable ratio of aggregate indebtedness to net capital as defined under this rule. The Company operates under the basic method. At December 31, 2007, the Company has net capital and required net capital of \$989,769 and \$5,000, respectively. Its ratio of aggregate indebtedness to net capital is 0.14 to 1 at December 31, 2007.

**(4) Exemption From Rule 15c3-3**

The Company is exempt from the provisions of Rule 15c3-3 of the Securities and Exchange Commission on the basis that the Company carries no margin accounts and does not otherwise hold funds or securities for customers. The Company has not executed any customer transactions during the year.

**(5) Firm Securities**

At December 31, 2007, securities owned consist of one 6-month U.S. Treasury Bill and is recorded at amortized cost, which approximates market value at December 31, 2007.

**R.J. O'BRIEN SECURITIES, LLC**  
 Schedule of Computation of Net Capital  
 Computation of Net Capital Under Rule 15c3-1  
 of the Securities and Exchange Commission  
 December 31, 2007

Net capital:		
Ownership equity	\$	996,521
Deduct:		
Nonallowable assets		1,752
Net capital		994,769
Required net capital		5,000
Excess net capital	\$	989,769
Aggregate indebtedness	\$	13,953
Ratio of aggregate indebtedness to net capital		1%

No material differences exist between the net capital computation above and the net capital computation included in the Focus Report, Part IIA filed on January 25, 2008.

See accompanying independent auditors' report.

**R.J. O'BRIEN SECURITIES, LLC**

Computation for Determination of Reserve Requirement  
and Information Relating to Possession or Control Requirements  
under Rule 15c3-3 of the Securities and Exchange Commission

December 31, 2007

The Company does not carry any customer accounts and is exempt from Securities and Exchange Rule 15c3-3 under paragraph k(2)(i).

See accompanying independent auditors' report.



KPMG LLP  
303 East Wacker Drive  
Chicago, IL 60601-5212

**Independent Auditors' Report on Internal Control Required by  
Rule 17a-5 of the Securities and Exchange Commission**

The Board of Directors  
R.J. O'Brien Securities, LLC:

In planning and performing our audit of the financial statements of R.J. O'Brien Securities, LLC (the Company), as of and for the period ended December 31, 2007 in accordance with auditing standards generally accepted in the United States of America, we considered the Company's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company's 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 consideration of control activities for safeguarding securities. This study included 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 and recordation of differences required by Rule 17a-13.
2. 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 U.S. 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 and 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.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control. Our consideration of internal control was for the limited purpose described in the first and second paragraphs and would not necessarily identify all deficiencies in internal control that might be material weaknesses. We did not identify any deficiencies in internal control and 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, as described in the second paragraph of this report, were adequate at December 31, 2007, to meet the SEC's objectives.

This report is intended solely for the information and use of the Board of Directors, management, the SEC, Financial Industry Regulatory Authority, 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.

KPMG LLP

February 28, 2008

END