

SE



09055424

COMMISSION

OMB APPROVAL	
OMB Number	3235-0123
Expires: September 30, 2003	
Estimated average burden hours per response	12.00

Handwritten initials

**FORM X-17A-5
PART III**

SEC FILE NUMBER
8-23376 8-67843

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 01/01/08 AND ENDING 12/31/2008
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER:

TPEG SECURITIES, LLC

OFFICIAL USE ONLY
FIRM ID. NO.

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

700 N. CARROLL AVENUE, SUITE 170

(No and Street)

SOUTHLAKE

TEXAS

76092

(City)

(State)

(Zip Code)

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

WILLIAM L. BURKE

817-310-2900

(Area Code - Telephone No.)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT Whose opinion is contained in this Report*

HENDRICKS, GRAVES AND ASSOCIATES, LLP

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

14001 GOLDMARK DRIVE, SUITE 115,

DALLAS, TEXAS

75240-4253

(Address)

(City)

(State)

(Zip Code)

SEC Mail Processing
Sector

CHECK ONE:

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

FEB 23 2009

**Washington, DC
111**

FOR OFFICIAL USE ONLY

* Claim 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).

Handwritten date: 3/22/09

OATH OR AFFIRMATION

I, WILLIAM L. BURKE, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statements and supporting schedules pertaining to the firm of TPEG SECURITIES, LLC as of DECEMBER 31, 2008, are true and correct. I further swear (or affirm) neither the company nor any partner, proprietor, principal officer or director has proprietary interest in any account solely as that of a customer, except as follows:



William Burke
Signature

MANAGING MEMBER
Title

Jennifer Martin
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 Stockholder's Equity or Partners' or Sole Proprietor's Capital.
- (f) Statement of Change in Liabilities Subordinated to Claims of Creditors.
- (g) Computation of Net Capital.
- (h) Computation for Determination of Reserve Requirements Pursuant of 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 of 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.
- (o) Independent Auditors' Report on Internal Accounting Control.

** For conditions of confidential treatment of certain portions of this filing, see section 140.17a-5(e)(3).

TPEG SECURITIES, LLC

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2008

CONTENTS

INDEPENDENT AUDITORS' REPORT	1
STATEMENT OF FINANCIAL CONDITION	2
STATEMENT OF OPERATIONS	3
STATEMENT OF CHANGES IN MEMBERS' CAPITAL	4
STATEMENT OF CHANGES IN LIABILITIES SUBORDINATED.	5
STATEMENT OF CASH FLOWS	6
NOTES TO FINANCIAL STATEMENTS.	7
INDEPENDENT AUDITORS' REPORT OF SUPPLEMENTARY INFORMATION REQUIRED BY RULE 17a-5 OF THE SECURITIES AND EXCHANGE COMMISSION	9
SUPPORTING SCHEDULES:	
COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1 OF THE SECURITIES AND EXCHANGE COMMISSION SCHEDULE I	10
COMPUTATION FOR DETERMINATION OF RESERVE REQUIREMENTS UNDER RULE 15c3-3 OF THE SECURITIES AND EXCHANGE COMMISSION SCHEDULE II	12
REPORT PURSUANT TO RULE 17a-5(d).	13

Hendricks, Graves and Associates, LLP
Certified Public Accountants

*Suite 115, 14001 Goldmark Drive
Dallas, Texas 75240-4258*

*972-234-3333
Facsimile 972-234-3331
gravesdon@sbcglobal.net*

INDEPENDENT AUDITORS' REPORT

MEMBERS

**TPEG SECURITIES, LLC
SOUTHLAKE, TEXAS**

We have audited the accompanying statement of financial condition of **TPEG SECURITIES, LLC** as of December 31, 2008, and the related statements of operations, changes in members' capital, changes in liabilities subordinated to claims of general creditors, 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.

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 **TPEG SECURITIES, LLC** as of December 31, 2008, 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.

Hendricks, Graves and Associates

Hendricks, Graves and Associates, LLP

February 17, 2009

*Members American Institute and Texas Society
of Certified Public Accountants*

TPEG SECURITIES, LLC
STATEMENT OF FINANCIAL CONDITION
DECEMBER 31, 2008

ASSETS

Cash	\$ <u>7,565</u>
------	-----------------

MEMBERS' CAPITAL

MEMBERS' CAPITAL	\$ <u>7,565</u>
-------------------------	-----------------

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

TPEG SECURITIES, LLC

STATEMENT OF OPERATIONS

YEAR ENDED DECEMBER 31, 2008

REVENUES

\$ -0-

COSTS AND EXPENSES:

Rent	\$	3,425
Professional services		4,291
Regulatory fees		7,934
Compliance		2,400
Other expenses		<u>1,081</u>

Total costs and expenses

19,131

NET LOSS

\$ (19,131)

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

TPEG SECURITIES, LLC

STATEMENT OF CHANGES IN MEMBERS' CAPITAL

YEAR ENDED DECEMBER 31, 2008

Member's capital at December 31, 2007	\$ 5,996
Members contributions	20,700
Net loss	<u>(19,131)</u>
Member's capital at December 31, 2008	\$ <u>7,565</u>

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

TPEG SECURITIES, LLC

STATEMENT OF CHANGES IN LIABILITIES SUBORDINATED

TO CLAIMS OF GENERAL CREDITORS

YEAR ENDED DECEMBER 31, 2008

Balance at December 31, 2007	\$	-0-
Increases		-0-
Decreases		<u>-0-</u>
Balance at December 31, 2008	\$	<u><u>-0-</u></u>

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

TPEG SECURITIES, LLC
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2008

OPERATING ACTIVITIES:

Net loss	\$(19,131)
----------	-------------

FINANCING ACTIVITY:

Members' contributions	<u>20,700</u>
------------------------	---------------

Increase in cash	1,569
-------------------------	-------

Cash at December 31, 2007	<u>5,996</u>
----------------------------------	--------------

Cash at December 31, 2008	\$ <u><u>7,565</u></u>
----------------------------------	------------------------

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

TPEG SECURITIES, LLC

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2008

A. COMPANY:

TPEG SECURITIES, LLC, formed on October 15, 2007, is a member of the Financial Industry Regulatory Authority (FINRA) and operates as a broker-dealer in securities. All customers' securities, funds and accounts are processed and carried by correspondent broker-dealers.

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

- 1. Customers' Securities and Commodities** - Transactions are recorded on a settlement date basis with related commission income and expenses recorded on a trade date basis. Securities and commodities transactions of the Company are recorded on a trade date basis.
- 2. Cash** - The Company considers all short-term investments with an original maturity of three months or less to be cash.
- 3. Securities** - Marketable securities are valued at market value and securities not readily marketable are valued at fair value as determined by the Board of Directors. The resulting difference between cost and market (or fair value) is included in income.
- 4. Income Taxes** - The Partnership is taxed as a partnership. Accordingly, the financial statements do not include a provision for federal income taxes because the Partnership does not incur federal income taxes. Instead, its earnings and losses are allocated to the partners and are taxed based on their personal tax strategies.

The Company incurs state franchise taxes, which are, in part, based on certain income and expense items, and the financial statements include a provision for the state tax effect of transactions reported in the financial statements.

- 5. Use of Estimates** - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from these estimates.

(Continued)

TPEG SECURITIES, LLC

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED DECEMBER 31, 2008

C. FAIR VALUES OF FINANCIAL INSTRUMENTS:

The carrying amounts of assets in the balance sheet approximate fair value.

D. AFFILIATED ENTITY TRANSACTIONS:

Office facilities are subleased from an entity, affiliated through common ownership and management. Rental payments during the year ended December 31, 2008 totaled \$3,425. At December 31, 2008, annual minimum rental commitments on the office lease were:

Years ending December 31:	2009	\$ 3,600
	2010	<u>600</u>
		\$ <u>4,200</u>

E. NET CAPITAL REQUIREMENTS:

The Company 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 15 to 1. At December 31, 2008, the Company had net capital of \$7,565 which was \$2,565 in excess of its required net capital of \$5,000. The Company's net capital ratio was 0.0 to 1.

Hendricks, Graves and Associates, LLP
Certified Public Accountants

*Suite 115, 14001 Goldmark Drive
Dallas, Texas 75240-4253*

*972-234-3333
Facsimile 972-234-3331
gravesdon@sbcglobal.net*

INDEPENDENT AUDITORS' REPORT OF SUPPLEMENTARY INFORMATION
REQUIRED BY RULE 17a-5 OF THE SECURITIES AND EXCHANGE COMMISSION

MEMBERS
TPEG SECURITIES, LLC
SOUTHLAKE, TEXAS

We have audited the accompanying financial statements of **TPEG SECURITIES, LLC** as of and for the year ended December 31, 2008, and have issued our report thereon dated February 17, 2009. 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 I and II 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.

Hendricks, Graves and Associates

Hendricks, Graves and Associates, LLP

February 17, 2009

TPEG SECURITIES, LLC**COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1****OF THE SECURITIES AND EXCHANGE COMMISSION****DECEMBER 31, 2008****(See Independent Auditors' Report On Supplementary Information.)****COMPUTATION OF NET CAPITAL:**

Total stockholder's equity qualified for net capital	\$ 7,565
Add:	
Other deductions or allowable credits	<u>- 0 -</u>
Total capital and allowable subordinated liabilities	7,565
Deductions and/or charges:	
Non-Allowable assets	<u>- 0 -</u>
Net capital before haircuts on securities positions	7,565
Haircuts on securities (computed, where applicable, pursuant to rule 15c3-1(f))	<u> </u>
Net Capital	\$ <u>7,565</u>
Aggregated indebtedness	\$ <u>- 0 -</u>

(Continued)

TPEG SECURITIES, LLC**COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1****OF THE SECURITIES AND EXCHANGE COMMISSION (CONTINUED)****DECEMBER 31, 2008****(See Independent Auditors' Report On Supplementary Information.)****COMPUTATION OF BASIC NET CAPITAL REQUIREMENT:**

Minimum net capital required (6 2/3% of total aggregate indebtedness)	\$ <u> - 0 -</u>
Minimum dollar net capital requirement of reporting broker or dealer	\$ <u> 5,000</u>
Net capital requirement (greater of above two minimum requirement amounts)	\$ <u> 5,000</u>
Net capital in excess of required minimum	\$ <u> 2,565</u>
Excess net capital at 1000%	\$ <u> 7,565</u>
Ratio of aggregate indebtedness to net capital	<u> .0 to 1</u>

RECONCILIATION WITH COMPANY'S COMPUTATION:

Net capital, as reported in Company's Part II (Unaudited) Focus report	\$ 7,565
Audit adjustments	<u> -0-</u>
NET CAPITAL	\$ <u> 7,565</u>

TPEG SECURITIES, LLC

COMPUTATION FOR DETERMINATION OF RESERVE REQUIREMENTS UNDER RULE 15c3-3

OF THE SECURITIES AND EXCHANGE COMMISSION

DECEMBER 31, 2008

(See Independent Auditors' Report On Supplementary Information.)

EXEMPTIVE PROVISIONS

The Company has claimed an exemption from Rule 15c3-3 under section (k)(1) for limited business activities.

TPEG SECURITIES, LLC

REPORT PURSUANT TO RULE 17a-5(d)

YEAR ENDED DECEMBER 31, 2008

Hendricks, Graves and Associates, LLP
Certified Public Accountants

*Suite 115, 14001 Goldmark Drive
Dallas, Texas 75240-4253*

*972-234-3333
Facsimile 972-234-3331
gravesdon@sbcglobal.net*

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL

STRUCTURE REQUIRED BY SEC RULE 17a-5

MEMBERS

**TPEG SECURITIES, LLC
SOUTHLAKE, TEXAS**

In planning and performing our audit of the financial statements and supplemental schedules of **TPEG SECURITIES, LLC**, for the year ended December 31, 2008, we considered its internal control, including control procedures for safe-guarding 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 the internal control.

Also, as required by rule 17a-5(g)(1) of the Securities and Exchange Commission (SEC), we had made a study of the practice 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 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.
3. Obtaining and maintaining physical possession or control of all fully paid and excess margin securities of customer as required by Rule 15c3-3.

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 accounting principles generally accepted in the United States of America. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

PAGE 2
INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
STRUCTURE REQUIRED BY SEC RULE 17a-5

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 one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by errors 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, 2008, to meet the Commission's objectives.

This report is intended solely for the information and use of the Board of Directors, management, the SEC, the Financial Industry Regulatory Authority (FINRA), 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 is not intended to be used by anyone other than these specific parties.

Hendricks, Graves and Associates
Hendricks, Graves and Associates, LLP

February 17, 2009

TPEG SECURITIES, LLC

DALLAS, TEXAS

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2008

**HENDRICKS, GRAVES AND ASSOCIATES, LLP
CERTIFIED PUBLIC ACCOUNTANTS
DALLAS, TEXAS**