



SECURITIES AND EXCHANGE COMMISSION
SECURITIES
 FEB 17 2009
 DIVISION OF INVESTMENT REGULATION

09058791
 Washington, D.C. 20549

MISSION

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

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**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 12/31/08
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER:

OFFICIAL USE ONLY

Pegasus Securities, LLC (A Development Stage Company)

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

FIRM ID. NO.

5775 Glenridge Dr., Building B, Suite 100

(No. and Street)

Atlanta

GA

30328

(City)

(State)

(Zip Code)

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

(Area Code - Telephone No.)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

CF & Co., L.L.P.

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

14175 Proton Rd.

Dallas

TX

75244

(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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*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).

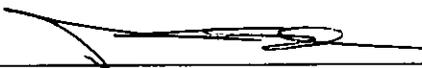
SEC 1410 (06-02)

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AB
3/12

OATH OR AFFIRMATION

I, David Sinyard, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Pegasus Securities, LLC, as of December 31, 2008, 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

CEO

 Title



 Notary Public

Notary Public, Cherokee County, Georgia
My Commission Expires Oct. 29, 2010



This report** contains (check all applicable boxes):

- (a) Facing page.
- (b) Statement of Financial Condition.
- (c) Statement of Income (Loss).
- (d) Statement of Cash Flows
- (e) Statement of Changes in Stockholders' Equity or partners' or Sole Proprietor's 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.
- (o) Independent auditor's report on internal control

**For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

PEGASUS SECURITIES, LLC
(A Development Stage Company)

REPORT PURSUANT TO RULE 17a-5(d)

FOR THE YEAR ENDED
DECEMBER 31, 2008

AND

FOR THE PERIOD FROM INCEPTION
(AUGUST 27, 2005) TO DECEMBER 31, 2008

PEGASUS SECURITIES, LLC
(A Development Stage Company)

CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT	1
STATEMENT OF FINANCIAL CONDITION	2
STATEMENTS OF INCOME	3
STATEMENTS OF CHANGES IN MEMBER'S EQUITY	4
STATEMENTS OF CHANGES IN LIABILITIES SUBORDINATED TO CLAIMS OF GENERAL CREDITORS	5
STATEMENTS OF CASH FLOWS	6
NOTES TO FINANCIAL STATEMENTS	7 - 9
SUPPORTING SCHEDULES	
Schedule I: Computation of Net Capital Under Rule 15c3-1 of the Securities and Exchange Commission	11 - 12
Schedule II: Computation for Determination of Reserve Requirements Under Rule 15c3-3 of the Securities and Exchange Commission	13
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL REQUIRED BY SEC RULE 17a-5	15 - 16



CF & Co., L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS
& CONSULTANTS

INDEPENDENT AUDITOR'S REPORT

To the Member of
Pegasus Securities, LLC

We have audited the accompanying statement of financial condition of Pegasus Securities, LLC, (a development stage company) as of December 31, 2008, and the related statements of income, changes in member's equity, changes in liabilities subordinated to claims of general creditors, and cash flows for the year then ended and for the period from inception (August 27, 2005) to December 31, 2008, 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 Pegasus Securities, LLC, as of December 31, 2008 and the results of its operations and its cash flows for the year then ended and for the period from inception (August 27, 2005) to December 31, 2008, in conformity with accounting principles generally accepted in the United States of America.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in the 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 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.

CF & Co., L.L.P.
CF & Co., L.L.P.

Dallas, Texas
February 17, 2009

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THE INTERNATIONAL ACCOUNTING GROUP (TIAG)

PEGASUS SECURITIES, LLC
(A Development Stage Company)
Statement of Financial Condition
December 31, 2008

ASSETS

Cash	\$ 6,704
	<u>\$ 6,704</u>

LIABILITIES AND MEMBER'S EQUITY

Liabilities	\$ -0-
Member's equity	<u>6,704</u>
	<u>\$ 6,704</u>

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

PEGASUS SECURITIES, LLC
(A Development Stage Company)
Statements of Income
For the Year Ended December 31, 2008
and For the Period from Inception
(August 27, 2005) to December 31, 2008

	<u>For the</u> <u>Year Ended</u> <u>December 31, 2008</u>	<u>For the Period</u> <u>From Inception</u> <u>(August 27, 2005)</u> <u>to</u> <u>December 31, 2008</u>
Revenues		
Other income	\$ <u>-0-</u>	\$ <u>35,000</u>
	<u>-0-</u>	<u>35,000</u>
Expenses		
Communication expense	1,500	4,458
Occupancy and equipment	9,000	29,648
Promotional costs	1,000	3,680
Other expenses	12,599	26,781
Regulatory fees and other expenses	<u>-0-</u>	<u>5,829</u>
	<u>24,099</u>	<u>70,396</u>
Loss/gain before income tax expense	(24,099)	(35,396)
Provision for income taxes	<u>-0-</u>	<u>-0-</u>
Net income (loss)	<u>\$ (24,099)</u>	<u>\$ (35,396)</u>

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

PEGASUS SECURITIES, LLC
(A Development Stage Company)
Statements of Changes in Member's Equity
For the Year Ended December 31, 2008
and For the Period from Inception
(August 27, 2005) to December 31, 2008

	<u>Member's Equity</u>
Balances at August 27, 2005	\$ -0-
Capital contributions	27,000
Net loss	<u>(17,485)</u>
Balances at December 31, 2006	9,515
Capital contributions	10,100
Net income	<u>6,188</u>
Balances at December 31, 2007	25,803
Capital contributions	5,000
Net loss	<u>(24,099)</u>
Balance at December 31, 2008	<u>\$ 6,704</u>

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

PEGASUS SECURITIES, LLC
(A Development Stage Company)
Statements of Changes in Liabilities Subordinated
to Claims of General Creditors
For the Year Ended December 31, 2008
and For the Period from Inception
(August 27, 2005) to December 31, 2008

Balance at August 27, 2005	\$ -0-
Increases	-0-
Decreases	<u>-0-</u>
Balance at December 31, 2006	-0-
Increases	-0-
Decreases	<u>-0-</u>
Balance at December 31, 2007	-0-
Increases	-0-
Decrease	<u>-0-</u>
Balance at December 31, 2008	<u>\$ -0-</u>

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

PEGASUS SECURITIES, LLC
(A Development Stage Company)
Statements of Cash Flows
For the Year Ended December 31, 2008
and For the Period from Inception
(August 27, 2005) to December 31, 2008

	For the Year ended <u>December 31, 2008</u>	For the Period From Inception (August 27, 2005) to <u>December 31, 2008</u>
Cash flows from operating activities		
Net income (loss)	\$ (24,099)	\$ (35,396)
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities:		
Change in operating assets and liabilities:		
Decrease in accounts payable and accrued expenses	<u>-0-</u>	<u>-0-</u>
Net cash provided (used) by operating activities	<u> </u>	<u>(35,396)</u>
Cash flows from investing activities		
Net cash provided (used) by investing activities	<u>-0-</u>	<u>-0-</u>
Cash flows from financing activities		
Capital contributions	<u>5,000</u>	<u>42,100</u>
Net cash provided (used) by financing activities	<u>5,000</u>	<u>42,100</u>
Net increase (decrease) in cash	(19,099)	<u>\$ 6,704</u>
Cash at beginning of period	<u>25,803</u>	
Cash at end of period	<u>\$ 6,704</u>	
Supplemental schedule of cash flow information		
Cash paid during the period for:		
Interest	<u>\$ -0-</u>	<u>\$ -0-</u>
Income taxes	<u>\$ -0-</u>	<u>\$ -0-</u>

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

PEGASUS SECURITIES, LLC
(A Development Stage Company)
Notes to Financial Statements
December 31, 2008

Note 1 - Summary of Significant Accounting Policies

Pegasus Securities LLC (a development stage company), (the "Company") is a broker-dealer in securities registered with the Securities and Exchange Commission (SEC) Rule 15c3-3(k)(2)(i). The Company provides advisory assistance with capital placements, mergers and acquisitions and other corporate finance issues. The Company operates as a Georgia Limited Liability Company (L.L.C.) and has a sole member, Pegasus Partners LLC (member). Its member has limited personal liability for the obligations or debts of the entity. The Company is a member of the Financial Industry Regulatory Authority (FINRA). The Company's business is conducted with customers located throughout the United States.

Compensated absences have not been accrued because the amount cannot be reasonably estimated.

The Company's net income will be taxed at the member level rather than at the corporate level for federal income tax purposes.

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 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.

On December 30, 2008, the Financial Accounting Standards Board ("FASB") issued FASB Staff Position ("FSP") No. FIN 48-3, "*Effective Date of FASB Interpretation No. 48 for Certain Nonpublic Entities*" which permits the Company to defer the implementation of FASB Interpretation No. 48, "*Accounting for Uncertainty in Income Taxes*" ("FIN 48") until its fiscal year beginning January 1, 2009. FIN 48 clarifies that management is expected to evaluate an income tax position taken, or expected to be taken, for likelihood of realization, before recording any amounts for such position in the financial statements. FIN 48 also requires expanded disclosure with respect to income tax positions taken that are not certain to be realized. The Company has elected to defer the implementation of FIN 48 while the FASB amends the disclosure requirements for FIN 48 for nonpublic enterprises.

Management evaluates income tax positions based on a predetermined threshold of whether the positions taken will be sustained on examination. Uncertain tax positions

PEGASUS SECURITIES, LLC
(A Development Stage Company)
Notes to Financial Statements
December 31, 2008

Note 1 - Summary of Significant Accounting Policies, continued

are reduced by a liability for a contingent loss that is recorded either when the threshold is no longer met or when it becomes probable that a payment will be made to the taxing authority

Note 2 - Net Capital Requirements

Pursuant to the net capital provisions of Rule 15c3-1 of the Securities Exchange Act of 1934, the Company is required to maintain a minimum net capital, as defined under such provisions. Net capital and the related net capital ratio may fluctuate on a daily basis. At December 31, 2008, the Company had net capital of approximately \$6,704 and net capital requirements of \$5,000. The Company's ratio of aggregated indebtedness to net capital was 0 to 1. The Securities and Exchange Commission permits a ratio of no greater than 15 to 1.

Capital distributions to the member can be made under a capital distribution policy approved by the Company's members. Periodic distributions approved by the board of directors are made in order to enable the member to pay federal income taxes on Company profits, among other purposes.

Note 3 - Possession or Control Requirements

The Company holds no customer funds or securities. There were no material inadequacies in the procedures followed in adhering to the exemptive provisions of (SEC) Rule 15c3-3(k)(2)(i).

Note 4 - Related Party Transactions/Economic Dependency

The Company and its member are under common control and the existence of that control creates operating results and financial position significantly different than if the companies were autonomous.

The Company is provided management services from its member. The Company expenses for these services during the year ended December 31, 2008 are as follows:

Communication	\$ 1,500
Occupancy and equipment cost	9,000
Promotional cost	1,000
Other expenses	<u>12,419</u>
	<u>\$ 23,919</u>

PEGASUS SECURITIES, LLC
(A Development Stage Company)
Notes to Financial Statements
December 31, 2008

Note 5 - Development Stage Operations

The Company is a development stage company since it has not fully commenced operations as of December 31, 2008. The Company's activities since its inception have been directed toward maintaining its status as a registered broker-dealer in securities.

Supplementary Information
Pursuant to Rule 17a-5 of the
Securities Exchange Act of 1934
as of
December 31, 2008

Schedule I

PEGASUS SECURITIES, LLC
(A Development Stage Company)
Computation of Net Capital Under Rule 15c3-1
of the Securities and Exchange Commission
As of December 31, 2008

COMPUTATION OF NET CAPITAL

Total member's equity qualified for net capital	\$ 6,704
Add:	
Other deductions or allowable credits	<u>-0-</u>
Total capital and allowable subordinated liabilities	<u>6,704</u>
Net capital before haircuts on securities positions	6,704
Haircuts on securities (computed, where applicable, pursuant to rule 15c3-1(f))	<u>-0-</u>
Net capital	<u>\$ 6,704</u>

AGGREGATE INDEBTEDNESS

Items included in statement of financial condition	
Accounts payable and accrued expenses	<u>\$ -0-</u>
Total aggregate indebtedness	<u>\$ -0-</u>

Schedule I (continued)

PEGASUS SECURITIES, LLC
(A Development Stage Company)
Computation of Net Capital Under Rule 15c3-1
of the Securities and Exchange Commission
As of December 31, 2008

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>\$ 1,704</u>
Excess net capital at 1000%	<u>\$ 6,704</u>
Ratio: Aggregate indebtedness to net capital	<u>0 to 1</u>

RECONCILIATION WITH COMPANY'S COMPUTATION

There were no material differences in the computation of net capital under Rule 15c3-1 from the Company's computation.

Schedule II

PEGASUS SECURITIES, LLC
(A Development Stage Company)

Computation for Determination of Reserve Requirements Under
Rule 15c3-3 of the Securities and Exchange Commission
As of December 31, 2008

EXEMPTIVE PROVISIONS

The Company has claimed an exemption from Rule 15c3-3 under section (k)(2)(i), in which the Company is a direct participant broker-dealer.

Independent Auditor's Report

On Internal Control

Required By SEC Rule 17a-5

For the Year Ended
December 31, 2008



CF & Co., L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS
& CONSULTANTS

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

To the Board of Directors of
Pegasus Securities, LLC

In planning and performing our audit of the financial statements and supplemental information of Pegasus Securities, LLC (a development stage company), (the "Company"), as of and for the year ended December 31, 2008 in accordance with auditing standards generally accepted in the United States of America, we considered the Company's internal control over financial reporting 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 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 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

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statements in conformity with 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, 2008, to meet the SEC's objectives.

This report is intended solely for the information and use of the management, the SEC, the 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.

CF & Co. L.L.P.
CF & Co., L.L.P.

Dallas, Texas
February 17, 2009

END