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

Mail Processing  
Section

MAR 02 2009

SEC FILE NUMBER  
8- 67060

FACING PAGE  
**Information Required of Brokers and Dealers Pursuant to Section 17 of the  
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder**

Washington, DC

REPORT FOR THE PERIOD BEGINNING JANUARY 1, 2008 AND ENDING DECEMBER 31, 2008  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER:

BERKELEY CAPITAL SECURITIES, LLC  
ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

516 BRUNSWICK ROAD

(No. and Street)

GRASS VALLEY

(City)

CA

(State)

95945

(Zip Code)

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

NORMAN VILLARINA

(530) 601-2400

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

MISTRETTA ASSOCIATES

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

816 21ST STREET

(Address)

SACRAMENTO

(City)

CA

95811

(State)

(Zip Code)

CHECK ONE:

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

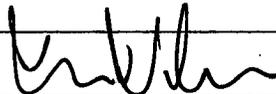
**FOR OFFICIAL USE ONLY**

\*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, NORMAN VILLARINA, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of BERKELEY CAPITAL 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:

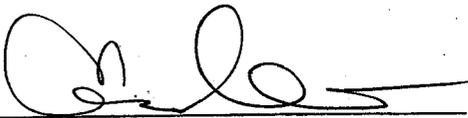
\_\_\_\_\_  
\_\_\_\_\_



Signature

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 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).

Form  
X-17A-5

**FOCUS REPORT**  
(Financial and Operational Combined Uniform Single Report)  
**PART IIA**  12

(Please read instructions before preparing Form.)

This report is being filed pursuant to (Check Applicable Block(s)):

1) Rule 17a-5(a)  16

2) Rule 17a-5(b)  17

3) Rule 17a-11  18

4) Special request by designated examining authority  19

5) Other  26

NAME OF BROKER-DEALER

SEC FILE NO.

8-67060  14

BERKELEY CAPITAL SECURITIES, LLC  13

FIRM I.D. NO.

136982  15

ADDRESS OF PRINCIPAL PLACE OF BUSINESS (Do Not Use P.O. Box No.)

FOR PERIOD BEGINNING (MM/DD/YY)

516 BRUNSWICK ROAD  20

JANUARY 1, 2008  24

(No. and Street)

AND ENDING (MM/DD/YY)

DECEMBER 31, 2008  25

GRASS VALLEY  21 CA  22 95945  23

(City)

(State)

(Zip Code)

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

(Area Code) — Telephone No.

NORMAN VILLARINA  30

(530) 601-2400  31

NAME(S) OF SUBSIDIARIES OR AFFILIATES CONSOLIDATED IN THIS REPORT:

OFFICIAL USE

32  33

34  35

36  37

38  39

DOES RESPONDENT CARRY ITS OWN CUSTOMER ACCOUNTS? YES  40 NO  41

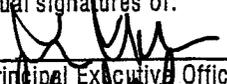
CHECK HERE IF RESPONDENT IS FILING AN AUDITED REPORT  42

**EXECUTION:**

The registrant/broker or dealer submitting this Form and its attachments and the person(s) by whom it is executed represent hereby that all information contained therein is true, correct and complete. It is understood that all required items, statements, and schedules are considered integral parts of this Form and that the submission of any amendment represents that all unamended items, statements and schedules remain true, correct and complete as previously submitted.

Dated the 26TH day of FEBRUARY 20 09

Manual signatures of:

1)  Principal Executive Officer or Managing Partner

2)  Principal Financial Officer or Partner

3)  Principal Operations Officer or Partner

**ATTENTION** — Intentional misstatements or omissions of facts constitute Federal Criminal Violations. (See 18 U.S.C. 1001 and 15 U.S.C. 78:f(a))

Persons who 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.

**TO BE COMPLETED WITH THE ANNUAL AUDIT REPORT ONLY:**

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report

NAME (If individual, state last, first, middle name)

MISTRETTA ASSOCIATES

70

ADDRESS

816 21ST STREET  
Number and Street

71

SACRAMENTO  
City

72

CA  
State

73

95811  
Zip Code

74

CHECK ONE

Certified Public Accountant

75

Public Accountant

76

Accountant not resident in United States  
or any of its possessions

77

FOR SEC USE

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DO NOT WRITE UNDER THIS LINE . . . FOR SEC USE ONLY

WORK LOCATION	REPORT DATE MM/DD/YY	DOC. SEQ. NO.	CARD				
50	51	52	53				

# FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

## PART IIA

BROKER OR DEALER

BERKELEY CAPITAL SECURITIES, LLC

N3

100

### STATEMENT OF FINANCIAL CONDITION FOR NONCARRYING, NONCLEARING AND CERTAIN OTHER BROKERS OR DEALERS

as of (MM/DD/YY) **DECEMBER 31, 2008**

SEC FILE NO. **8-67060**

Consolidated		99
Unconsolidated		98
		198
		199

	Allowable	Non-Allowable	Total
1. Cash .....	\$ 28,281	200	\$ 28,281
2. Receivables from brokers or dealers:			
A. Clearance account .....	295		
B. Other .....	70	550	70
3. Receivable from non-customers .....	3,850	355	3,850
4. Securities and spot commodities owned at market value:			
A. Exempted securities .....	418		
B. Debt securities .....	419		
C. Options .....	420		
D. Other securities .....	424		
E. Spot commodities .....	430		850
5. Securities and/or other investments not readily marketable:			
A. At cost ½ \$ .....	130		
B. At estimated fair value .....	440	610	860
6. Securities borrowed under subordination agreements and partners' individual and capital securities accounts, at market value:			
A. Exempted securities \$ .....	150		
B. Other securities \$ .....	160		
7. Secured demand notes:	470	640	890
Market value of collateral:			
A. Exempted securities \$ .....	170		
B. Other securities \$ .....	180		
8. Memberships in exchanges:			
A. Owned, at market \$ .....	190		
B. Owned, at cost .....		650	
C. Contributed for use of the company, at market value .....		660	900
9. Investment in and receivables from affiliates, subsidiaries and associated partnerships .....	480	670	910
10. Property, furniture, equipment, leasehold improvements and rights under lease agreements, at cost-net of accumulated depreciation and amortization .....	490	680	920
11. Other assets .....	535	202	202
12. TOTAL ASSETS .....	\$ 32,201	540	\$ 32,403

OMIT PENNIES

# FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

## PART IIA

BROKER OR DEALER

DECEMBER 31, 2008  
as of \_\_\_\_\_

BERKELEY CAPITAL SECURITIES, LLC

### STATEMENT OF FINANCIAL CONDITION FOR NONCARRYING, NONCLEARING AND CERTAIN OTHER BROKERS OR DEALERS

#### LIABILITIES AND OWNERSHIP EQUITY

<u>Liabilities</u>	<u>A.I. Liabilities</u>	<u>Non-A.I. Liabilities</u>	<u>Total</u>
13. Bank loans payable .....	\$ 1045	\$ 1255	\$ 1470
14. Payable to brokers or dealers:			
A. Clearance account .....	1114	1315	1560
B. Other .....	1115	1305	1540
15. Payable to non-customers .....	1155	1355	1610
16. Securities sold not yet purchased, at market value .....		1360	1620
17. Accounts payable, accrued liabilities, expenses and other .....	3,850	1385	3,850
18. Notes and mortgages payable:			
A. Unsecured .....	1210		1690
B. Secured .....	1211	1390	1700
19. E. Liabilities subordinated to claims of general creditors:			
A. Cash borrowings: .....		1400	1710
1. from outsiders, \$ .....	970		
2. includes equity subordination (15c3-1(d)) of ... \$ .....	980		
B. Securities borrowings, at market value from outsiders \$ .....	990	1410	1720
C. Pursuant to secured demand note collateral agreements .....		1420	1730
1. from outsiders \$ .....	1000		
2. includes equity subordination (15c3-1(d)) of ... \$ .....	1010		
D. Exchange memberships contributed for use of company, at market value .....		1430	1740
E. Accounts and other borrowings not qualified for net capital purposes .....	1220	1440	1750
20. TOTAL LIABILITIES .....	\$ 3,850	\$ 1450	\$ 3,850
<u>Ownership Equity</u>			
21. Sole Proprietorship .....	<u>LLC MEMBERS EQUITY</u>		\$ 28,553
22. Partnership (limited partners) .....	1020		1780
23. Corporation:			
A. Preferred stock .....			1791
B. Common stock .....			1792
C. Additional paid-in capital .....			1793
D. Retained earnings .....			1794
E. Total .....			1795
F. Less capital stock in treasury .....			1796
24. TOTAL OWNERSHIP EQUITY .....			\$ 28,553
25. TOTAL LIABILITIES AND OWNERSHIP EQUITY .....			\$ 32,403

OMIT PENNIES

# FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

## PART IIA

BROKER OR DEALER

DECEMBER 31, 2008  
as of

BERKELEY CAPITAL SECURITIES, LLC

### COMPUTATION OF NET CAPITAL

1. Total ownership equity from Statement of Financial Condition .....	\$	28,553		3490
2. Deduct ownership equity not allowable for Net Capital .....	19	( )		3490
3. Total ownership equity qualified for Net Capital .....		28,553		3500
4. Add:				
A. Liabilities subordinated to claims of general creditors allowable in computation of net capital .....				3520
B. Other (deductions) or allowable credits (List) .....				3525
5. Total capital and allowable subordinated liabilities .....	\$			3530
6. Deductions and/or charges:				
A. Total non-allowable assets from				
Statement of Financial Condition (Notes B and C) .....	17	\$ 202		3540
B. Secured demand note delinquency .....				3590
C. Commodity futures contracts and spot commodities - proprietary capital charges .....				3600
D. Other deductions and/or charges .....			( 202 )	3610
7. Other additions and/or allowable credits (List) .....				3630
8. Net capital before haircuts on securities positions .....	20			\$ 28,351
9. Haircuts on securities (computed, where applicable, pursuant to 15c3-1(f)):				
A. Contractual securities commitments .....	\$			3660
B. Subordinated securities borrowings .....				3670
C. Trading and investment securities:				
1. Exempted securities .....	18			3735
2. Debt securities .....				3733
3. Options .....				3730
4. Other securities .....				3734
D. Undue Concentration .....				3650
E. Other (List) .....				3736
10. Net Capital .....	\$	28,351		3750

OMIT PENNIES

NET CAPITAL PER FOCUS REPORT FILED FOR  
THE QUARTER ENDING DECEMBER 31, 2008 \$ 17,406

INCREASE IN PREPAID CRD ACCOUNT BALANCE 70

NET INCREASE IN COMMISSIONS RECEIVABLE /  
PAYABLE -

REDUCTION IN ACCOUNTS PAYABLE DUE SOLE  
MEMBER LLC 10,875

NET CAPITAL PER DECEMBER 31, 2008  
AUDITED FINANCIAL STATEMENTS \$ 28,351

# FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

## PART IIA

BROKER OR DEALER

DECEMBER 31, 2008  
as of \_\_\_\_\_

BERKELEY CAPITAL SECURITIES, LLC

### COMPUTATION OF NET CAPITAL REQUIREMENT

11. Minimum net capital required (6 $\frac{2}{3}$ % of line 19) .....	\$	257	3756
12. Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries computed in accordance with Note (A) .....	\$	5,000	3758
13. Net capital requirement (greater of line 11 or 12) .....	\$	5,000	3760
14. Excess net capital (line 10 less 13) .....	\$	23,351	3770
15. Excess net capital at 1000% (line 10 less 10% of line 19) .....	\$	27,966	3780

### COMPUTATION OF AGGREGATE INDEBTEDNESS

16. Total A.I. liabilities from Statement of Financial Condition .....	\$	3,850	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) .....	\$	3820	
18. Total aggregate indebtedness .....	\$	3,850	3830
19. Percentage of aggregate indebtedness to net capital (line 18 ÷ by line 10) .....	%	.135	3850
20. Percentage of debt to debt-equity total computed in accordance with Rule 15c3-1(d) .....	%	N/A	3860

### COMPUTATION OF ALTERNATE NET CAPITAL REQUIREMENT

21. 2% of combined aggregate debit items as shown in Formula for Reserve Requirements pursuant to Rule 15c3-3 prepared as of the date of the net capital computation including both brokers or dealers and consolidated subsidiaries' debits .....	\$	3970	3970
22. Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries computed in accordance with Note (A) .....	\$	3880	3880
23. Net capital requirement (greater of line 21 or 22) .....	\$	3760	3760
24. Excess capital (line 10 less 23) .....	\$	3910	3910
25. Net capital in excess of the greater of:			
A. 5% of combined aggregate debit items or \$120,000 .....	\$	3920	3920

**NOTES:**

- (A) The minimum net capital requirement should be computed by adding the minimum dollar net capital requirement of the reporting broker dealer and, for each subsidiary to be consolidated, the greater of:
  - 1. Minimum dollar net capital requirement, or
  - 2. 6 $\frac{2}{3}$ % of aggregate indebtedness or 4% of aggregate debits if alternative method is used.
- (B) Do not deduct the value of securities borrowed under subordination agreements or secured demand note covered by subordination agreements not in satisfactory form and the market values of memberships in exchanges contributed for use of company (contra to item 1740) and partners' securities which were included in non-allowable assets.
- (C) For reports filed pursuant to paragraph (d) of Rule 17a-5, respondent should provide a list of material non-allowable assets.

# FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

## PART IIA

BROKER OR DEALER

BERKELEY CAPITAL SECURITIES, LLC

For the period (MMDDYY) from 1/1/08 to 12/31/08 3933  
 Number of months included in this statement 3931

### STATEMENT OF INCOME (LOSS)

**REVENUE**

1.	Commissions:		\$		3935
	a. Commissions on transactions in exchange listed equity securities executed on an exchange .....				3938
	b. Commissions on listed option transactions .....	25		22,912	3939
	c. All other securities commissions .....				3940
	d. Total securities commissions .....				3945
2.	Gains or losses on firm securities trading accounts				3949
	a. From market making in options on a national securities exchange .....				3950
	b. From all other trading .....				3952
	c. Total gain (loss) .....				3955
3.	Gains or losses on firm securities investment accounts .....				3970
4.	Profit (loss) from underwriting and selling groups .....	26			3990
5.	Revenue from sale of investment company shares .....				3975
6.	Commodities revenue .....				3995
7.	Fees for account supervision, investment advisory and administrative services .....				22,912
8.	Other revenue .....		\$		4030
9.	Total revenue .....				

**EXPENSES**

10.	Salaries and other employment costs for general partners and voting stockholder officers .....				4120
11.	Other employee compensation and benefits ..... <b>COMMISSIONS</b> .....			29,122	4115
12.	Commissions paid to other broker-dealers .....				4140
13.	Interest expense .....				4075
	a. Includes interest on accounts subject to subordination agreements .....			4070	
14.	Regulatory fees and expenses .....			2,100	4195
15.	Other expenses .....			5,064	4100
16.	Total expenses .....		\$	36,286	4200

**NET INCOME**

17.	Income (loss) before Federal income taxes and items below (Item 9 less Item 16) .....		\$	(13,374)	4210
18.	Provision for Federal income taxes (for parent only) .....	2a			4220
19.	Equity in earnings (losses) of unconsolidated subsidiaries not included above .....				4222
	a. After Federal income taxes of .....			4338	
20.	Extraordinary gains (losses) .....				4224
	a. After Federal income taxes of .....			4239	
21.	Cumulative effect of changes in accounting principles .....				4225
22.	Net income (loss) after Federal income taxes and extraordinary items .....		\$	(13,374)	4230

**MONTHLY INCOME**

23.	Income (current month only) before provision for Federal income taxes and extraordinary items .....		\$	(325)	4211
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# FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT PART IIA

BROKER OR DEALER	BERKELEY CAPITAL SECURITIES, LLC
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For the period (MMDDYY) from 1/1/08 to 12/31/08

### STATEMENT OF CHANGES IN OWNERSHIP EQUITY (SOLE PROPRIETORSHIP, PARTNERSHIP OR CORPORATION)

1. Balance, beginning of period .....	\$	41,927	4240
A. Net income (loss) .....		(13,374)	4250
B. Additions (Includes non-conforming capital of .....	\$	4262	4260
C. Deductions (Includes non-conforming capital of .....	\$	4272	4270
2. Balance, end of period (From item 1800) .....		\$	28,553 4290

### STATEMENT OF CHANGES IN LIABILITIES SUBORDINATED TO CLAIMS OF GENERAL CREDITORS

3. Balance, beginning of period .....	\$	NONE	4300
A. Increases .....		NONE	4310
B. Decreases .....		NONE	4320
4. Balance, end of period (From item 3520) .....		\$	NONE 4330

OMIT PENNIES

# FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT PART IIA

BROKER OR DEALER

BERKELEY CAPITAL SECURITIES, LLC

DECEMBER 31, 2008  
as of \_\_\_\_\_

### EXEMPTIVE PROVISION UNDER RULE 15c3-3

24. If an exemption from Rule 15c3-1 is claimed, identify below the section upon which such exemption is based (check one only)

- |   |      |      |
|---|------|------|
| A. (k)(1) — \$2,500 capital category as per Rule 15c3-1 .....   | X    | 4550 |
| B. (k)(2)(A) — "Special Account for the Exclusive Benefit of customers" maintained .....  |      | 4560 |
| C. (k)(2)(B) — All customer transactions cleared through another broker-dealer on a fully disclosed basis.<br>Name of clearing firm <sup>30</sup> ..... | 4335 | 4570 |
| D. (k)(3) — Exempted by order of the Commission (include copy of letter) .....  |      | 4580 |

### Ownership Equity and Subordinated Liabilities maturing or proposed to be withdrawn within the next six months and accruals, (as defined below), which have not been deducted in the computation of Net Capital.

	Type of Proposed Withdrawal or Accrual (See below for code)	Name of Lender or Contributor	Insider or Outsider? (In or Out)	Amount to be Withdrawn (cash amount and/or Net Capital Value of Securities)	(MMDDYY) Withdrawal or Maturity Date	Expect to Renew (Yes or No)
31	4600	4601	4602	4603	4604	4605
32	4610	4611	4612	4613	4614	4615
33	4620	4621	4622	4623	4624	4625
34	4630	4631	4632	4633	4634	4635
35	4640	4641	4642	4643	4644	4645
Total \$ <sup>36</sup>				4699		

OMIT PENNIES

Instructions: Detail Listing must include the total of items maturing during the six month period following the report date, regardless of whether or not the capital contribution is expected to be renewed. The schedule must also include proposed capital withdrawals scheduled within the six month period following the report date including the proposed redemption of stock and anticipated accruals which would cause a reduction of Net Capital. These anticipated accruals would include amounts of bonuses, partners' drawing accounts, taxes, and interest on capital, voluntary contributions to pension or profit sharing plans, etc., which have not been deducted in the computation of Net Capital, but which you anticipate will be paid within the next six months.

WITHDRAWAL CODE:	DESCRIPTIONS
1.	Equity Capital
2.	Subordinated Liabilities
3.	Accruals

**BERKELEY CAPITAL SECURITIES, LLC**

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FINANCIAL STATEMENTS  
AND SUPPLEMENTARY SCHEDULES  
Year ended December 31, 2008



**MISTRETTA ASSOCIATES**  
Certified Public Accountants  
Financial Management Consultants

---



# MISTRETТА ASSOCIATES

Certified Public Accountants – Financial Management Consultants

---

816 21<sup>st</sup> Street  
Sacramento, CA 95814  
916-497-0676  
916-497-0677 Fax

Robert Mistretta, CPA, MBA

Norman Villarina, President  
Berkeley Capital Securities, LLC  
Grass Valley, California

I have audited the accompanying balance sheet of Berkeley Capital Securities, LLC, as of December 31, 2008 and the related statements of income and member's equity, and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I 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. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Berkeley Capital 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.

Also, I have prepared and examined the supplementary schedules (Form X-17a-5(a)) which follow the notes to the aforementioned financial statements and, in my opinion, they present fairly the information included therein in conformity with the rules of the Securities and Exchange Commission.

*Mistretta Associates*

February 24, 2009

BERKELEY CAPITAL SECURITIES, LLC  
BALANCE SHEET  
December 31, 2008

ASSETS

Current Assets

Cash	\$ 28,281
Commissions receivable	3,850
Due from member	202
Prepaid expense	<u>70</u>
Total Current Assets	<u>\$ 32,403</u>

LIABILITIES AND MEMBERS' EQUITY

Current Liabilities

Commissions payable	<u>\$ 3,850</u>
Total Current Liabilities	3,850

Member's Equity

Total Liabilities and Member's Equity	<u>\$ 32,403</u>
---------------------------------------	------------------

See accompanying notes and auditor's report.

BERKELEY CAPITAL SECURITIES, LLC  
 STATEMENT OF INCOME AND MEMBER'S EQUITY  
 Year ended December 31, 2008

NASD Special Member Payment	\$
Commission Income	<u>22,912</u>
Total Income	<u>22,912</u>
Expenses	
Commission expense	22,912
Indirect commission expense	6,210
Rent	3,000
Administration charges	900
Insurance	364
Regulatory fees	<u>2,100</u>
Total Expenses	<u>35,486</u>
Net Income (Loss) From Operations	(12,574)
Income Tax Expense	<u>800</u>
Net Income (Loss)	(13,374)
Member's Equity, December 31, 2007	<u>41,927</u>
Member's Equity, December 31, 2008	<u>\$ 28,553</u>

See accompanying notes and auditor's report.

BERKELEY CAPITAL SECURITIES, LLC  
 STATEMENT OF CASH FLOWS  
 Year ended December 31, 2008

Increase (Decrease) in Cash and Cash Equivalents

Cash Flows From Operating Activities

Net Income (loss)	\$ (13,374)
Adjustments to reconcile net income to net cash used by operating activities:	
Changes in assets and liabilities:	
Increase in commissions receivable	(3,850)
Increase in due from member	(202)
Decrease in prepaid expense	835
Increase in commissions payable	3,850
Decrease in accrued expense	<u>(6,975)</u>
Total Adjustments	<u>(6,342)</u>
Net Cash Provided (Used) By Operating Activities	<u>(19,716)</u>

Cash and Cash Equivalents, December 31, 2007 47,997

Cash and Cash Equivalents, December 31, 2008 \$ 28,281

Supplementary Disclosure of Cash Flow Information

Cash paid during the year for:

Income taxes	\$ 800
Interest	\$ -

Disclosure of Accounting Policy

For purposes of the Statement of Cash Flows, the Corporation considers all highly-liquid investments readily convertible to known amounts of cash as cash equivalents.

See accompanying notes and auditor's report.

BERKELEY CAPITAL SECURITIES, LLC  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2008

Note 1: Summary of Significant Accounting Policies

The following items comprise the significant accounting policies of the Company. The policies reflect industry practices and conform to generally accepted accounting principles.

Company's Activities

The Company is a sole member LLC, formed in Delaware and registered as a foreign limited liability company in California, and is certified as a broker-dealer pursuant to the provisions of the Corporate Securities Law of California.

Income Taxes

Income tax expense includes current state taxes. There are no deferred taxes as the Company reports its income on the same basis of accounting for financial statement and income tax purposes. The Company is required to file a California income tax return as a sole member LLC. Income tax expense included in the statement of income and member's equity is the minimum California franchise tax for the year. A federal income tax return is not required to be filed by the Company, considered a disregarded entity for federal income tax purposes, any income or expense of the Company is reported on the federal income tax return of its sole member.

Operations

The Company's operations are conducted from the same offices as its sole member LLC. This member LLC incurs the burden of certain common general and administrative expenses, thereby reducing the direct expenses of Berkeley Capital Securities, LLC.

Use of Estimates in Preparation of Financial Statements

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.

Note 2: Related Party Transactions

Rent expense and administration charges of \$3,000 and \$900, respectively were incurred with the sole member LLC during the year ended December 31, 2008.

BERKELEY CAPITAL SECURITIES, LLC  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2008

Note 3: Net Capital Requirement

Pursuant to the net capital provisions of Rule 15c3-1 of the Securities Exchange Act of 1934, the Company is required to maintain net capital of not less than \$5,000; at December 31, 2008, the Company had net capital of \$28,351.

BERKELEY CAPITAL SECURITIES, LLC  
December 31, 2008

Berkeley Capital Securities, LLC does not retain customer funds or customer securities. The following schedules are inapplicable and thus have not been prepared:

- Computation for Determination of Reserve Requirements pursuant to Rule 15c3-3
- Information Relating to the Possession or Control Requirements pursuant to Rule 15c3-3
- A Reconciliation pursuant to Rule 17a-5(d)(4)



# MISTRETTA ASSOCIATES

Certified Public Accountants – Financial Management Consultants

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816 21<sup>st</sup> Street  
Sacramento, CA 95814  
916-497-0676  
916-497-0677 Fax

Robert Mistretta, CPA, MBA

## SUPPLEMENTARY REPORT ON INTERNAL ACCOUNTING CONTROL

Norman Villarina, President  
Berkeley Capital Securities, LLC  
Grass Valley, California

I have examined the financial statements of Berkeley Capital Securities, LLC for the year ended December 31, 2008 and have issued my report thereon dated February 24, 2009. As part of my examination, I made a study and evaluation of the system of internal accounting control to the extent I considered necessary to evaluate the system as required by generally accepted auditing standards and Rule 17a-5 of the Securities and Exchange Commission. This study and evaluation included the accounting system. The Company is exempt from compliance with Rule 15c3-3. No facts came to my attention indicating that the conditions of the exemption had not been complied with during the period. Rule 17a-5 states that the scope of the study and evaluation should be sufficient to provide reasonable assurance that any material weakness existing at the date of my examination would be disclosed. Under generally accepted auditing standards and rule 17a-5, the purposes of such study and evaluation are to establish a basis for reliance thereon in determining the nature, timing, and extent of other auditing procedures necessary for expressing an opinion on the financial statements and to provide a basis for reporting material weaknesses in internal accounting control.

The objective of internal accounting control is to provide reasonable, but not absolute, assurance concerning the safeguarding of assets against loss from unauthorized use or disposition and concerning the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a system of internal accounting control should not exceed the benefits derived and also recognizes that the evaluation of these factors necessarily requires estimates and judgment by Management. However, for the purposes of this report under Rule 17a-5, the determination of weaknesses to be reported was made without considering the practicability of corrective action by Management within the framework of a cost/benefit relationship.

There are inherent limitations that should be recognized in considering the potential effectiveness of any system of internal accounting control. In the performance of most control procedures, errors can result from misunderstanding instructions, mistakes of judgment, carelessness, or other personnel factors. Control procedures whose effectiveness depends on segregation of

duties can be circumvented by collusion. Similarly, control procedures can be circumvented intentionally by Management either with respect to the execution and recording of transactions or with respect to the estimates and judgments required in the preparation of financial statements. Further, projection of any evaluation of internal accounting control to future periods is subject to the risk that the procedures may become inadequate because of changes in conditions or that the degree of compliance with the procedures may deteriorate.

My study and evaluation of the system of internal accounting control for the year ended December 31, 2008, which was made for the purposes set forth in the first paragraph above, and would not necessarily disclose all weaknesses in the system that may have existed during the period, disclosed no weakness that I believe to be material except that often substantially all accounting functions are performed or directed by one individual and supervised or intermittently reviewed by management. This lack of segregation of duties allows opportunity for accounting improprieties to occur without collusion. Although not a formal control, the member's management has full access to all accounting records and is extremely familiar with the transactions and business activities of the Company.

*Mistata Associates*

February 24, 2009