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Securities and Exchange Commission

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

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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 01/01/09 AND ENDING 12/31/09 MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Signature Capital Securities LLC

OFFICIAL USE ONLY FIRM I.D. NO.

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

100 Commercial Street, Suite 414

(No. and Street)

Portland (City)

Maine (State)

04101 (Zip Code)

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

William Turner

207-773-8123

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

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

Runyon Kersteen Ouellette, P.A.

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

20 Long Creek Drive (Address)

South Portland (City)

Maine (State)

04106 (Zip Code)

CHECK ONE:

- [X] 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, William Turner, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Signature Capital Securities LLC, as of December 31, 2009, 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:

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

William Turner  
Signature  
PRESIDENT  
Title

Notary Public  
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).

**SIGNATURE CAPITAL SECURITIES LLC**

**Financial Statements  
and  
Independent Auditor's Report on Internal Control**

**December 31, 2009 and 2008**

SEC  
Mail Processing  
Section

MAR 01 2010

Washington, DC  
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*Runnyon*

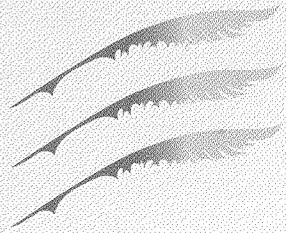
CERTIFIED PUBLIC ACCOUNTANTS

*Kersteen*

AND BUSINESS CONSULTANTS

*Ouellette*

*Runnyon  
Kersteen  
Ouellette*



**SIGNATURE CAPITAL SECURITIES LLC**  
**Financial Statements**  
**and Independent Auditor's Report on Internal Control**  
**December 31, 2009**

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Certified Public Accountants and Business Consultants

## Independent Auditor's Report

To the Member of  
Signature Capital Securities LLC

We have audited the accompanying statement of financial condition of Signature Capital Securities LLC as of December 31, 2009 and the related statements of income, changes in member's capital and cash flows for the year then ended. 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.

The financial statements of Signature Capital Securities LLC as of December 31, 2008 were audited by other auditors whose report dated February 24, 2009 expressed an unqualified opinion on those statements.

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 our 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 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 Signature Capital Securities LLC as of December 31, 2009, 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.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information listed as supplemental information in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements, but is supplemental 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.

A handwritten signature in black ink that reads "Runyon Kersteen Ouellette". The signature is written in a cursive, flowing style.

February 11, 2010  
South Portland, Maine

**SIGNATURE CAPITAL SECURITIES LLC**  
**Statements of Financial Condition**  
**December 31, 2009 and 2008**

	2009	2008
<b>ASSETS</b>		
Current assets:		
Cash	\$ 38,210	87,181
Prepays and other current assets	13,874	44,436
Total current assets	52,084	131,617
Other assets:		
Note receivable, net of allowance of \$67,965 and \$28,073, respectively	-	-
Total other assets	-	-
<b>Total assets</b>	<b>\$ 52,084</b>	<b>131,617</b>
<b>LIABILITIES AND MEMBER'S CAPITAL</b>		
Current liabilities:		
Accounts payable and accrued expenses	12,390	50,410
Deferred revenue	12,000	-
Total current liabilities	24,390	50,410
Member's capital	27,694	81,207
<b>Total liabilities and member's capital</b>	<b>\$ 52,084</b>	<b>131,617</b>

*See accompanying notes to financial statements.*

**SIGNATURE CAPITAL SECURITIES LLC**  
**Statements of Income**  
**Years ended December 31, 2009 and 2008**

	<b>2009</b>	<b>2008</b>
<b>Revenues and income:</b>		
Commissions	\$ 1,552,308	1,871,144
Interest and dividends	2,390	1,256
<b>Total revenue and income</b>	<b>1,554,698</b>	<b>1,872,400</b>
<b>Expenses:</b>		
Placement deal expenses	76,427	581,466
Less: reimbursements	(141,170)	(558,680)
Commissions and employee compensation and benefits	1,102,288	672,165
Occupancy and related expenses	192,328	173,990
Professional fees	105,348	104,819
Bad debt expense	39,892	28,073
Other operating expenses	154,098	65,199
<b>Total expenses</b>	<b>1,529,211</b>	<b>1,067,032</b>
<b>Net income</b>	<b>\$ 25,487</b>	<b>805,368</b>

*See accompanying notes to financial statements.*

**SIGNATURE CAPITAL SECURITIES LLC**  
**Statements of Changes in Member's Capital**  
**Years ended December 31, 2009 and 2008**

		<b>2009</b>	<b>2008</b>
Member's capital, beginning of year	\$	81,207	139,339
Member's capital contributions		-	226,000
Member's distributions		(79,000)	(1,089,500)
Net income		25,487	805,368
<b>Member's capital, end of year</b>	<b>\$</b>	<b>27,694</b>	<b>81,207</b>

*See accompanying notes to financial statements.*

**SIGNATURE CAPITAL SECURITIES LLC**  
**Statements of Cash Flows**  
**Years ended December 31, 2009 and 2008**

	2009	2008
Cash flows from operating activities:		
Net income	\$ 25,487	805,368
Adjustments to reconcile net income to net cash provided by operating activities		
Bad debt expense	39,892	28,073
Changes in operating assets and liabilities:		
Prepays and other current assets	30,562	(22,055)
Accounts payable and accrued expenses	(38,020)	5,521
Deferred revenue	12,000	-
Net cash provided by operating activities	69,921	816,907
Cash flows from investing activities:		
Issuance of note receivable	(39,892)	-
Net cash used in investing activities	(39,892)	-
Cash flows from financing activities:		
Member's capital contributions	-	226,000
Member's distributions	(79,000)	(1,089,500)
Net cash used in financing activities	(79,000)	(863,500)
Net decrease in cash	(48,971)	(46,593)
Cash, beginning of year	87,181	133,774
Cash, end of year	\$ 38,210	87,181

*See accompanying notes to financial statements.*

**SIGNATURE CAPITAL SECURITIES LLC**  
**Notes to Financial statements**

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**NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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**Nature of Operations** - Signature Capital Securities LLC (the Company) is a broker-dealer which acts as a placement agent in connection with private placement transactions. The Company is a wholly-owned subsidiary of Signature Capital LLC (the Parent).

**Deferred Revenue** - Deferred revenue is derived from the Company subletting its Florida office space of which it received its monthly rent in advance.

**Income Taxes** - The Company is a Limited Liability Company. Accordingly, net income is allocated and taxed to the individual member. No income tax provision has been included in the determination of net income.

**Commission Revenue** - Commissions earned in connection with private placements are recognized at the closing of funds raised.

**Use of Estimates** - In preparing financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the 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.

**Fair Value of Financial Instruments** - The carrying amounts of financial instruments, including cash, prepaids, other current assets, accounts payable, and accrued expenses, approximate fair value due to the short maturity of these instruments.

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**NOTE RECEIVABLE**

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During the year the Company honored a note in the amount of \$66,863, bearing interest at 10% compounded quarterly, and having a maturity date of November 1, 2014.

This note is convertible at the option of the holder into either shares of Series B preferred stock of the company on any other class or series of capital stock issued or to be issued by the company.

At December 31, 2009 the balance on the note totaled \$67,965. Management has deemed this note to likely have no value and has therefore recorded an allowance for the entire amount of the note.

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**MINIMUM CAPITAL REQUIREMENTS**

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The Company is subject to the Securities and Exchange Commission (SEC) 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, 2009, the Company had net capital of \$13,820, which was \$8,820 in excess of its required net capital of \$5,000. The Company's net capital ratio was 1.76 to 1.

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**RELATED-PARTY TRANSACTIONS**

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The Company has agreements with certain individuals (the Affiliates), who serve as the Company's registered representatives, to pay certain percentages of the Company's placement commission on funds raised solely from investors originated and sold by the Affiliates. Commission expense under these agreements amounted to \$197,579 and \$95,760 for 2009 and 2008, respectively. There were no amounts due to the Affiliates at December 31, 2009 and 2008, respectively.

**SIGNATURE CAPITAL SECURITIES LLC**  
**Notes to Financial Statements, Continued**

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**RELATED-PARTY TRANSACTIONS, CONTINUED**

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The Company also has agreements with the Affiliates to issue a portion of incentive warrants the Company receives in connection with the private offerings in which it acted as the placement agent based upon funds raised solely from investors originated and sold by the Affiliates. In addition, the Affiliates are entitled to receive an additional percentage of the total net warrants issued to the Company.

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**LEASE COMMITMENT**

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The Company leases office space in Portland, Maine, under a noncancelable operating lease agreement that expires on August 31, 2014, requiring monthly payments of \$2,026 the first year, with annual escalating rents based on the Boston region Consumer Price Index.

The Company leases office space in Naples, Florida, under a noncancelable operating lease agreement that expires September 30, 2010, requiring monthly payments of \$8,500 the first year, with annual escalating rents of \$500.

The total minimum rental commitment at December 31 is as follows:

2010	\$ 109,818
2011	24,318
2012	24,318
2013	24,318
2014	<u>16,212</u>
<b>Total</b>	<b><u>\$ 198,984</u></b>

Rent expense for the years ended December 31, 2009 and 2008 was \$147,137 and \$152,283, respectively.

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**EXPENSE REIMBURSEMENTS**

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The Company is entitled to receive expense reimbursement based upon the actual expenses and the aggregate purchase price of all shares sold in connection with each placement offering to cover costs directly related to each offering. Expense reimbursements aggregating \$141,170 and \$558,680 were received in 2009 and 2008, respectively from the underlying companies.

**SIGNATURE CAPITAL SECURITIES LLC**  
**Notes to Financial Statements, Continued**

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**WARRANTS**

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	<u>Certificate issue date</u>	<u>Number of shares</u>	<u>Exercise price</u>	<u>Expiration date of warrants</u>
Acoustic Technologies Series D Preferred Shares	06/27/05	137,468	1.100	The day before the 7th anniversary of final closing
Additech, Inc. Common shares	06/07/04	11,590	1.000	The day before the 7th anniversary of final closing
VIRxSYS Corporation Series G Preferred Shares	07/13/05	816,853	1.250	The day before the 7th anniversary of final closing
VIRxSYS Corporation Series G Preferred Shares	08/12/05	208,441	1.250	The day before the 7th anniversary of final closing
VIRxSYS Corporation Series G Preferred Shares	09/14/05	17,753	1.250	The day before the 7th anniversary of final closing

The expiration dates of the warrants could change if the underlying companies were to complete an initial public offering, as defined in the private placement offering memorandums. Management of the Company has estimated that the warrants have no value at December 31, 2009 and 2008, respectively.

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**CONCENTRATION OF CREDIT RISK**

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The Company maintains cash balances at a financial institution located in Naples, Florida. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. There were no uninsured cash balances at December 31, 2009 and 2008, respectively.

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**SUBSEQUENT EVENTS**

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In accordance with the *Subsequent Events* topic of the FASB Accounting Standards Codification, management has evaluated subsequent events for possible recognition or disclosure through February 11, 2010, which is the date these financial statements were issued.

**SIGNATURE CAPITAL SECURITIES LLC**  
**Computation of Net Capital Under Rule 15c3-1**  
**of the Securities and Exchange Commission**  
**December 31, 2009**

Net Capital		
Total assets	\$	52,084
Total assets		52,084
Deductions:		
Nonallowable assets:		
Prepaid expenses		13,450
Other assets		424
Total nonallowable assets		13,874
Total liabilities		24,390
Total deductions		38,264
Net Capital		13,820
Minimum Net Capital		5,000
<b>Excess Net Capital</b>		<b>\$ 8,820</b>
Aggregate Indebtedness:		
Accounts payable and accrued expenses		12,390
Deferred revenue		12,000
		24,390
<b>Ratio of Aggregate Indebtness to Net Capital</b>		<b>1.76</b>
Reconciliation with Company's computation (included in Part II of Form X-17A-5 as of December 31, 2009):		
Net capital, as reported in Company's Part II (Unaudited) Focus Report		26,122
Audit adjustments, net		-
Adjustments, net		(12,302)
<b>Net Capital per above</b>		<b>\$ 13,820</b>

*See auditor's report.*

**SIGNATURE CAPITAL SECURITIES LLC**  
**Computation for Determination of Reserve Requirement**  
**Under Rule 15c3-3 of the Securities and Exchange Commission**  
**December 31, 2009**

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The Company is exempt from the provisions of Rule 15c3-3 of the Securities and Exchange Commission under paragraph (k)(2)(i), in that the Company carries no margin accounts, promptly transmits all customer funds and delivers all securities received; does not otherwise hold funds or securities for, or owe money or securities to, customers; and effectuates all financial transactions on behalf of customers on a fully disclosed basis.

**SIGNATURE CAPITAL SECURITIES LLC**  
**Information Relating to Possession or Control Requirements**  
**Under Rule 15c3-3 of the Securities and Exchange Commission**  
**December 31, 2009**

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The Company is exempt from the provisions of Rule 15c3-3 of the Securities and Exchange Commission under paragraph (k)(2)(i), in that the Company does not otherwise hold funds or securities for, or owe money or securities to, customers. As such, no information relating to possession or control requirements is required to be provided.



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL REQUIRED  
BY SECURITIES AND EXCHANGE COMMISSION RULE 17a-5**

The Member of  
Signature Capital Securities LLC

In planning and performing our audit of the financial statements of Signature Capital Securities LLC (the Company), as of and for the year ended December 31, 2009, 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 includes 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 no 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 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 or the practices and procedures referred to above, errors 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.

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL REQUIRED  
BY SECURITIES AND EXCHANGE COMMISSION RULE 17a-5,  
CONTINUED**

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 deficiency, or a combination of deficiencies in internal control over financial reporting that is less severe than a material weakness, yet important enough to merit attention by those responsible for oversight of the Company's financial reporting.

A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis.

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 purpose 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, 2009 to meet the SEC's objectives.

This report is intended solely for the information and use of the Member, management, the SEC, and other regulatory agencies that rely on Rule 17a-5(g) under the Securities and 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.



February 11, 2010  
South Portland, Maine

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