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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

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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 January 1, 2010 AND ENDING December 31, 2010  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: B P Direct Securities, LLC  
ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)  
One Penn Plaza, Suite 4615

OFFICIAL USE ONLY  
FIRM I.D. NO.

New York (No. and Street) New York 10152  
(City) (State) (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT  
Steven C Bender (646) 290-7248  
(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

Breard & Associates, Inc. Certified Public Accountants

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

9221 Corbin Avenue, Suite 170 Northridge California 91324  
(Address) (City) (State) (Zip Code)

**CHECK ONE:**

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

SEC  
Mail Processing  
Section

FEB 22 2011

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**105**

\*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)

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OATH OR AFFIRMATION

I, Steven C Bender, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of B P Direct Securities, LLC, as of December 31, 2010, 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:

State of NY
County of Erie
Subscribed and sworn to (or affirmed) before me on this 8 day of February, 2011 by STEVEN C BENDER proved to me on the basis of satisfactory evidences to be the person who appeared before me.

Signature of Notary Public

Signature of Notary Public

TINA M. DESTRO Title
Notary Public, State of New York
No. 01DE6122823
Qualified in Erie County
My Commission Expires February 22, 2013

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).



**BREARD & ASSOCIATES, INC.**  
CERTIFIED PUBLIC ACCOUNTANTS

**Independent Auditor's Report**

Board of Directors  
BP Direct Securities, LLC:

We have audited the accompanying statement of financial condition of BP Direct Securities, LLC (the Company) as of December 31, 2010, and the related statements of operations, changes in member's equity, 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 BP Direct Securities, LLC as of December 31, 2010, 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.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 4 to the financial statements, the Company has suffered losses from operations and minimal revenue which raises substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 4. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

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, II, and III 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.

Breard & Associates, Inc.  
Certified Public Accountants

New York, New York  
February 17, 2011

9221 Corbin Avenue, Suite 170, Northridge, California 91324  
phone 818.886.0940 fax 818.886.1924 web www.baicpa.com

LOS ANGELES NEW YORK OAKLAND

**WE FOCUS & CARE**

**BP Direct Securities, LLC**  
**Statement of Financial Condition**  
**December 31, 2010**

**Assets**

Cash	\$ 18,785
Prepaid expense	<u>11,495</u>
<b>Total assets</b>	<b><u><u>\$ 30,280</u></u></b>

**Liabilities and Member's Equity**

**Liabilities**

Accounts payable and accrued expenses	<u>\$ 1,751</u>
<b>Total liabilities</b>	1,751

Commitments and contingencies

**Member's equity**

Member's equity	<u>28,529</u>
<b>Total member's equity</b>	<u>28,529</u>
<b>Total liabilities and member's equity</b>	<b><u><u>\$ 30,280</u></u></b>

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

**BP Direct Securities, LLC**  
**Statement of Operations**  
**For the Year Ended December 31, 2010**

**Revenues**

Underwriting income	\$ 5,000
<b>Total revenues</b>	<u>5,000</u>

**Expenses**

Employee compensation and benefits	17,033
Occupancy expense	16,600
Professional fees	32,475
Other operating expenses	<u>8,808</u>
<b>Total expenses</b>	<u>74,916</u>
<b>Net income (loss) before income tax provision</b>	(69,916)

<b>Income tax provision</b>	<u>-</u>
<b>Net income (loss)</b>	<u>\$ (69,916)</u>

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

**BP Direct Securities, LLC**  
**Statement of Changes in Member's Equity**  
**For the Year Ended December 31, 2010**

	<u>Member's Equity</u>
<b>Balance at December 31, 2009</b>	\$ 17,312
Capital contributions	81,133
Net income (loss)	<u>(69,916)</u>
<b>Balance at December 31, 2010</b>	<u>\$ 28,529</u>

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

**BP Direct Securities, LLC**  
**Statement of Cash Flows**  
**For the Year Ended December 31, 2010**

**Cash flow from operating activities:**

Net income (loss)		\$ (69,916)
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Reclassification of expenses to capital contribution	\$ 33,633	
(Increase) decrease in assets:		
Prepaid expense	(1,509)	
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	<u>1,601</u>	
Total adjustments		<u>33,725</u>

**Net cash provided by (used in) operating activities** (36,191)

**Net cash provided by (used in) investing activities** -

**Cash flow from financing activities:**

Proceeds from capital contributions	<u>47,500</u>	
<b>Net cash provided by (used in) financing activities</b>		<u>47,500</u>

**Net increase (decrease) in cash** 11,309

**Cash at beginning of year** 7,476

**Cash at end of year** \$ 18,785

**Supplemental disclosure of cash flow information:**

Cash paid during the year for:

Interest	\$	-
Income taxes	\$	-

**Supplemental disclosures of non-cash transactions:**

During the year ended December 31, 2010 the Parent agreed to foregive payment of the monthly salaries expense, and other allocated expenses incurred. These foregiven expenses totaled \$33,633 and are reflected as a capital contribution.

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

**BP Direct Securities, LLC**  
**Notes to Financial Statements**  
**December 31, 2010**

**Note 1: GENERAL AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*General*

BP Direct Securities, LLC (the "Company") was organized in the State of Delaware on July 14, 2004. The Company is a registered broker-dealer in securities under the Securities and Exchange Act of 1934, a member of the Financial Industry Regulatory Authority ("FINRA"), and the Securities Investor Protection Corporation ("SIPC").

The Company is a wholly-owned subsidiary of Broadway Real Estate Partners, LLC (the "Parent")

The Company is engaged in business as a securities broker-dealer, which provides several classes of services, including private placement of securities in the syndication of buildings and real estate to institutional investors.

Under its membership agreement with FINRA and pursuant to Rule 15c3-3(k)(2)(i), the Company conducts business on a fully disclosed basis and does not execute or clear securities transactions for customers. Accordingly, the Company is exempt from the requirement of Rule 15c3-3 under the Securities Exchange Act of 1934 pertaining to the possession or control of customer assets and reserve requirements.

*Summary of Significant Accounting Policies*

The presentation 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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

Revenues from placement services are recognized when the transaction closes and realization is reasonably assured. Expenses are recognized as they are incurred.

The Company is treated as a disregarded entity for federal tax purposes, in accordance with single member limited liability company rules. All tax effects of the Company's income or loss are passed through to the member. Therefore, no provision or liability for Federal Income Taxes is included in these financial statements.

**BP Direct Securities, LLC**  
**Notes to Financial Statements**  
**December 31, 2010**

**Note 1: GENERAL AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**(Continued)**

The Company has evaluated events subsequent to the balance sheet date for items requiring recording or disclosure in the financial statements. The evaluation was performed through February 17, 2011, which is the date the financial statements were available to be issued. Based upon this review, the Company has determined that there were no events which took place that would have a material impact on its financial statements.

**Note 2: INCOME TAXES**

The Company is subject to the New York City Unincorporated Business Tax. Since the Company did not record any revenue for the year ending December 31, 2010, there is no provision for New York City Unincorporated Business Tax on these financial statements.

**Note 3: RELATED PARTY TRANSACTIONS**

The Company has entered into a written agreement with the Parent to share office space and personnel in the ordinary course of its business. Under this agreement, the Company is charged a share of the expenses paid by the Parent in proportion to the benefits derived by the entity, based on the percentage of an employee's time attributable to the Company compared with the total time attributable to the Parent. For the year ended December 31, 2010, rent and employee compensation and benefits expense amounted to \$16,600 and \$17,033 respectively. The Parent has agreed to forego reimbursement for these costs and reflects them as a capital contribution.

It is possible that the terms of certain of the related party transactions are not the same as those that would result for transactions among wholly unrelated parties.

**Note 4: COMMITMENTS AND CONTINGENCIES**

*Going-Concern*

The Company had no revenue for the year ended December 31, 2010. The lack of business activities has resulted in an operating loss. The Parent will continue to capitalize the Company to fund its continuing operation until such time as it can produce revenue to sustain itself. If it were not for the Parent's support, the Company's viability as a going concern would be doubtful.

**BP Direct Securities, LLC**  
**Notes to Financial Statements**  
**December 31, 2010**

**Note 5: RECENTLY ISSUED ACCOUNTING STANDARDS**

The Financial Accounting Standards Board (the “FASB”) issued a new professional standard in June of 2009 which resulted in a major restructuring of U.S. accounting and reporting standards. The new professional standard, issued as ASC 105 (“ASC 105”), establishes the Accounting Standards Codification (“Codification or ASC”) as the source of authoritative accounting principles (“GAAP”) recognized by the FASB. The principles embodied in the Codification are to be applied by nongovernmental entities in the preparation of financial statements in accordance with generally accepted accounting principles in the United States. Rules and interpretive releases of the Securities and Exchange Commission (“SEC”) issued under authority of federal securities laws are also sources of GAAP for SEC registrants. Existing GAAP was not intended to be changed as a result of the Codification, and accordingly the change did not impact the financial statements of the Company.

For the year ending December 31, 2010, various Accounting Standard Updates (“ASU”) issued by the FASB were either newly issued or had effective implementation dates that would require their provisions to be reflected in the financial statements for the year then ended. The Company has reviewed the following ASU releases to determine relevance to the Company’s operations:

<u>ASU No.</u>	<u>Title</u>	<u>Effective Date</u>
2009-01	The FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles (ASC 105) - a Replacement of FASB Statement No. 162	After September 15, 2009
2010-06	Fair Value Measurements and Disclosures (ASC 820): Improving Disclosures about Fair Value Measurements	After December 15, 2009
2010-09	Subsequent Events (ASC 855): Amendments to Certain Recognition and Disclosure Requirements	After February 24, 2010
2009-16	Accounting for Transfers of Financial Assets (ASC 860) - an Interpretation of FASB Statement No. 140	After November 15, 2009
2009-17	Consolidations (ASC 810) - Improvements to Financial Reporting by Enterprises with Variable Interest Entities	After November 15, 2009

**BP Direct Securities, LLC**  
**Notes to Financial Statements**  
**December 31, 2010**

**Note 5: RECENTLY ISSUED ACCOUNTING STANDARDS**  
**(Continued)**

The Company has either evaluated or is currently evaluating the implications, if any, of each of these pronouncements and the possible impact they may have on the Company's financial statements. In most cases, management has determined that the pronouncement has either limited or no application to the company and, in all cases, implementation would not have a material impact on the financial statements taken as a whole.

**Note 6: NET CAPITAL REQUIREMENTS**

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (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. Rule 15c3-1 also provides that equity capital may not be withdrawn or cash dividends paid if the resulting net capital ratio would exceed 10 to 1. Net capital and aggregate indebtedness change day to day, but on December 31, 2010, the Company had net capital of \$17,034 which was \$12,034 in excess of its required net capital of \$5,000; and the Company's ratio of aggregate indebtedness (\$1,751) to net capital was 0.1 to 1, which is less than the 15 to 1 maximum allowed.

**BP Direct Securities, LLC**  
**Schedule I - Computation of Net Capital Requirements**  
**Pursuant to Rule 15c3-1**  
**As of December 31, 2010**

**Computation of net capital**

Member's equity	\$ <u>28,529</u>	
<b>Total member's equity</b>		\$ 28,529
Less: Non-allowable assets		
Prepaid expense	<u>(11,495)</u>	
<b>Total non-allowable assets</b>		<u>(11,495)</u>
<b>Net capital</b>		17,034

**Computation of net capital requirements**

Minimum net capital requirements		
6 2/3 percent of net aggregate indebtedness	\$ 117	
Minimum dollar net capital required	<u>\$ 5,000</u>	
Net capital required (greater of above)		<u>(5,000)</u>
<b>Excess net capital</b>		<u>\$ 12,034</u>

Ratio of aggregate indebtedness to net capital 0.1 : 1

There was a \$1 rounding difference between net capital computation shown here and the net capital computation shown on the Company's unaudited Form X-17A-5 report dated December 31, 2010.

*See independent auditor's report*

**BP Direct Securities, LLC**  
**Schedule II - Computation for Determining of Reserve**  
**Requirements Pursuant to Rule 15c3-3**  
**As of December 31, 2010**

A computation of reserve requirements is not applicable to BP Direct Securities, LLC as the Company qualifies for exemption under Rule 15c3-3(k)(2)(i).

*See independent auditor's report*

**BP Direct Securities, LLC**  
**Schedule III - Information Relating to Possession or Control**  
**Requirements Pursuant to Rule 15c3-3**  
**As of December 31, 2010**

Information relating to possession or control requirements is not applicable to BP Direct Securities, LLC as the Company qualifies for exemption under Rule 15c3-3(k)(2)(i).

*See independent auditor's report*

**BP Direct Securities, LLC**  
**Supplementary Accountant's Report**  
**on Internal Accounting Control**  
**Report Pursuant to 17a-5**  
**For the Year Ended December 31, 2010**

Board of Directors

BP Direct Securities, LLC:

In planning and performing our audit of the financial statements of BP Direct Securities, LLC (the Company), as of and for the year ended December 31, 2010, in accordance with auditing standards generally accepted in the United States of America, we considered the Company's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company's internal control.

Also, as required by rule 17a-5(g)(1) of the Securities and Exchange Commission (SEC), we have made a study of the practices and procedures followed by the Company including consideration of control activities for safeguarding securities. This study included tests of such practices and procedures that we considered relevant to the objectives stated in rule 17a-5(g) in making the periodic computations of aggregate indebtedness (or aggregate debits) and net capital under rule 17a-3(a)(11) and for determining compliance with the exemptive provisions of rule 15c3-3. Because the Company does not carry securities accounts for customers or perform custodial functions relating to customer securities, we did not review the practices and procedures followed by the Company in any of the following:

1. Making the quarterly securities examinations, counts, verifications and comparisons, and the 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 judgements 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 generally accepted accounting principles. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

Because of inherent limitations in internal control and the practices and procedures referred to above, error or fraud may occur and not be detected. Also, projection of any evaluation of them to future periods is subject to the risk that they may become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate.

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

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control was for the limited purpose described in the first and second paragraphs and would not necessarily identify all deficiencies in internal control that might be material weaknesses. We did not identify any deficiencies in internal control and control activities for safeguarding securities that we consider to be material weaknesses, as defined above.

We understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the SEC to be adequate for its purposes in accordance with the Securities Exchange Act of 1934 and related regulations, and that practices and procedures that do not accomplish such objectives in all material respects indicate a material inadequacy for such purposes. Based on this understanding and on our study, we believe that the Company's practices and procedures, as described in the second paragraph of this report, were adequate at December 31, 2010, to meet the SEC's objectives.

This report is intended solely for the information and use of the Board of Directors, management, the SEC, Financial Industry Regulatory Authority, and other regulatory agencies that rely on rule 17a-5(g) under the Securities Exchange Act of 1934 in their regulation of registered brokers and dealers, and is not intended to be and should not be used by anyone other than these specified parties.



Breard & Associates, Inc.

Certified Public Accountants

New York, New York

February 17, 2011



**BP Direct Securities, LLC**  
**Report Pursuant to Rule 17a-5 (d)**  
**Financial Statements**  
**For the Year Ended December 31, 2010**