

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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Section

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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

Washington, DC  
110

\* KH 3/22

REPORT FOR THE PERIOD BEGINNING 01/01/10 AND ENDING 12/31/10  
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: DME SECURITIES, LLC

OFFICIAL USE ONLY  
FIRM I.D. NO.

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

C/O MAC CONSULTING GROUP, 30 BROAD STREET, SUITE 2201

(No. and Street)

NEW YORK  
(City)

NY  
(State)

10004  
(Zip Code)

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

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

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

JANOVER, LLC

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

100 QUENTIN ROOSEVELT BLVD, SUITE 516, GARDEN CITY, NY

(Address)

(City)

(State)

11530

(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)

SEC 1410 (06-02)

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OATH OR AFFIRMATION

I, DAVID LUAN, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of DNK Securities LLC, as of February 23, 2011, 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:

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

CHARLES W KING  
Notary Public, State of New York  
Registration #01KI4966231  
Qualified In New York County  
Commission Expires July 24, 2014

[Signature]  
Notary Public

[Signature]  
Signature  
PRESIDENT  
Title

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).

# DME SECURITIES, LLC

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### **Financial Statements**

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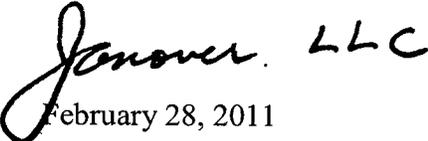
**Independent Auditors' Report**

To the Member of DME Securities, LLC:

We have audited the accompanying statement of financial condition of DME Securities, LLC as of December 31, 2010, pursuant to Rule 17a-5 under the Securities Exchange Act of 1934. This financial statement is the responsibility of the Company's management. Our responsibility is to express an opinion on this financial statement 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 statement referred to above presents fairly, in all material respects, the financial position of DME Securities, LLC as of December 31, 2010, in conformity with accounting principles generally accepted in the United States of America.

  
February 28, 2011

# DME SECURITIES, LLC

## Statement of Financial Condition

*December 31, 2010*

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### Assets

Cash and cash equivalents	\$	117,702
Commission receivable		236,301
Prepaid expenses		2,202
Clearing firm deposit		98,155
	\$	<u>454,360</u>

### Liabilities and Member's Capital

Accounts payable and accrued expenses	\$	162,888
Commitments and contingencies		
Member's capital		291,472
	\$	<u>454,360</u>

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

# DME SECURITIES, LLC

## Notes to Financial Statements

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December 31, 2010

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### 1. Business Organization

DME Securities, LLC (the "Company") is a New York Limited Liability Company. The Company's Financial Industry Regulatory Authority ("FINRA") application was granted on October 30, 2007. On that date the Company commenced operations as a broker-dealer, became a member of FINRA and registered with the Securities and Exchange Commission (the "SEC"). The Company is a full service investment banking firm as well as a New York Stock Exchange floor trading brokerage firm. The Company pays floor brokerage charges to operate as a broker-dealer. The Company derives its income through commissions for trading and related services.

### 2. Summary of Significant Accounting Policies

**Basis of presentation** - The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America.

**Cash and cash equivalents** - The Company considers its investments in financial instruments, with maturities of less than 90 days when issued to be cash equivalents.

**Revenue recognition** - Commission income is recorded on a trade-date basis as securities transactions occur. Expenses are recognized as they are incurred.

**Allowance for doubtful accounts** - Bad debts are provided for under the allowance method based upon analyses of open accounts and their expected collectibility. As of December 31, 2010, no allowance was deemed necessary.

**Income taxes** - The Company is a Limited Liability Company; therefore, all profits and losses are reflected in the respective member's tax returns. The Company is subject to New York City unincorporated business tax. As of December 31, 2010, a provision for income taxes of \$13,175 has been recorded.

**Uncertain tax positions** - The Company adopted the provisions of Financial Accounting Standards Board Accounting Standards Codification No. 740 ("ASC 740") Subtopic 05 "Accounting for Uncertainty in Income Taxes", on January 1, 2009. As a result of the implementation, the Company was not required to recognize any amounts from uncertain tax positions.

# DME SECURITIES, LLC

## Notes to Financial Statements

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December 31, 2010

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### 2. Summary of Significant Accounting Policies *(continued)*

*Use of estimates* - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of 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.

*Fair value disclosures* - The carrying amounts of cash, clearing firm deposit and accounts payable approximate fair value because of the short-term nature of these investments.

### 3. Clearing Broker

The Company has customers who clear their own trades. The Company clears some trades through Penson Financial Services ("Penson") on a fully disclosed basis. The Company also maintains an error account with Penson. At December 31, 2010, the Company had a net amount of \$98,155 on deposit with Penson.

### 4. Net Capital Requirement

The Company is subject to the SEC Uniform Net Capital Rule (Rule 15c3-1), which requires the maintenance of minimum regulatory net capital and further requires that the ratio of aggregate indebtedness to regulatory net capital, both as defined, not exceed 15:1. At December 31, 2010, the Company had regulatory net capital of \$244,445 which was \$233,586 in excess of its required minimum regulatory net capital of \$10,859. The Company's ratio of aggregate indebtedness to net capital was .67 to 1.

### 5. Commitments and Contingencies

*Litigation* - Currently, there are no claims outstanding that management believes are likely to have a material adverse effect upon the financial statements of the Company.

# DME SECURITIES, LLC

## Notes to Financial Statements

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*December 31, 2010*

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### **6. Concentration of Risk**

In the normal course of business the Company enters into financial transactions from which the risk of potential loss due to changes in the market (market risk) or failures of the other parties to the transaction to perform (counterparty risk) exceeds the amounts recorded for the transaction.

Two customers represented approximately 39% of total revenue earned for the year ended December 31, 2010. Two customers represented approximately 24% of the outstanding commission receivable balance as of December 31, 2010.

### **7. Subsequent Events**

Management has evaluated events and transactions which occurred after the date of the statement of financial condition and through the date of the independent auditors' report contained herein to determine whether any of these events or transactions was required to be recognized or disclosed in the financial statements. The date of the independent auditors' report is the date that Management approved the financial statements for issuance and the date they were available to be issued.