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SECURITIES AND EXCHANGE COMMISSION
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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**

SEC FILE NUMBER
8-67884

**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 01/01/10 AND ENDING 12/31/10
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Black Fossil Securities, LLC

OFFICIAL USE ONLY
FIRM I.D. NO.

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

425 Cumberland Place

(No. and Street)

Nashville

TN

37215

(City)

(State)

(Zip Code)

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

Katherine Anderson

404-303-8840

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

KraftCPAs PLLC

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

555 Great Circle Road

Nashville

TN

37228

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

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



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FOR OFFICIAL USE ONLY

Empty box 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)

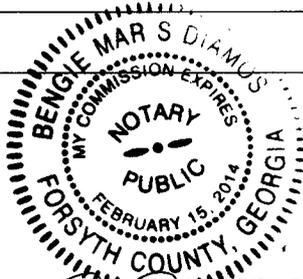
SEC 1410 (06-02)

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OATH OR AFFIRMATION

I, Katherine Anderson, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Black Fossil 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:



[Signature]
Notary Public

[Signature]
Signature

CFO/FINOP
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).



INDEPENDENT AUDITORS' REPORT ON FINANCIAL
STATEMENTS AND SUPPLEMENTAL SCHEDULES

Member
Black Fossil Securities, LLC
Nashville, Tennessee

We have audited the accompanying statement of financial condition of Black Fossil Securities, LLC, a development stage company (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 and for the period from January 24, 2008 (inception) through December 31, 2010 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 Black Fossil Securities, LLC as of December 31, 2010, and the results of its operations and its cash flows for the year then ended and for the period from January 24, 2008 (inception) through December 31, 2010, 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 contained in the supplemental schedules 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. These schedules are the responsibility of the Company's management. 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.

KraftCPAs PLLC

Nashville, Tennessee
January 21, 2011

BLACK FOSSIL SECURITIES, LLC
(A DEVELOPMENT STAGE COMPANY)

STATEMENT OF FINANCIAL CONDITION

DECEMBER 31, 2010

ASSETS

Cash	\$ 16,707
Office equipment, net of accumulated depreciation of \$1,330	<u>1,422</u>
TOTAL ASSETS	<u>\$ 18,129</u>

LIABILITIES AND MEMBER'S EQUITY

LIABILITIES	
Accounts payable to member	\$ 602
MEMBER'S EQUITY , net of \$68,316 deficit accumulated during the development stage	<u>17,527</u>
TOTAL LIABILITIES AND MEMBER'S EQUITY	<u>\$ 18,129</u>

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

BLACK FOSSIL SECURITIES, LLC
(A DEVELOPMENT STAGE COMPANY)

STATEMENTS OF OPERATIONS

	<u>Year Ended</u> <u>December 31, 2010</u>	<u>January 24, 2008</u> <u>(Inception) through</u> <u>December 31, 2010</u>
REVENUES		
Consulting fee	<u>\$ -</u>	<u>\$ 10,000</u>
EXPENSES		
Professional fees	19,529	51,729
Commissions	-	2,500
Office	3,617	9,645
Depreciation	550	1,330
Other	<u>3,335</u>	<u>13,112</u>
TOTAL EXPENSES	<u>27,031</u>	<u>78,316</u>
NET LOSS	<u>\$ (27,031)</u>	<u>\$ (68,316)</u>

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

BLACK FOSSIL SECURITIES, LLC
(A DEVELOPMENT STAGE COMPANY)

STATEMENTS OF CHANGES IN MEMBER'S EQUITY

	<u>Year Ended</u> <u>December 31, 2010</u>	<u>January 24, 2008</u> <u>(Inception) through</u> <u>December 31, 2010</u>
BALANCE - BEGINNING OF YEAR OR PERIOD	\$ 11,839	\$ -
Capital contributions by member	32,719	85,843
Net loss for the year or period	<u>(27,031)</u>	<u>(68,316)</u>
BALANCE - END OF YEAR OR PERIOD	<u>\$ 17,527</u>	<u>\$ 17,527</u>

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

BLACK FOSSIL SECURITIES, LLC
(A DEVELOPMENT STAGE COMPANY)

STATEMENTS OF CASH FLOWS

	<u>Year Ended</u> <u>December 31, 2010</u>	<u>January 24, 2008</u> <u>(Inception) through</u> <u>December 31, 2010</u>
OPERATING ACTIVITIES		
Net loss	\$ (27,031)	\$ (68,316)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	550	1,330
Increase in accounts payable to member	<u>3,918</u>	<u>9,946</u>
Total adjustments	<u>4,468</u>	<u>11,276</u>
NET CASH USED IN OPERATING ACTIVITIES	(22,563)	(57,040)
NET CASH USED IN INVESTING ACTIVITIES		
Purchase of office equipment	-	(2,752)
NET CASH PROVIDED BY FINANCING ACTIVITIES		
Capital contributions by member	<u>28,499</u>	<u>76,499</u>
NET INCREASE IN CASH	5,936	16,707
CASH - BEGINNING OF YEAR OR PERIOD	<u>10,771</u>	<u>-</u>
CASH - END OF YEAR OR PERIOD	<u>\$ 16,707</u>	<u>\$ 16,707</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Noncash financing activities:		
Member capital contributions in the form of forgiveness of accounts payable	<u>\$ 4,220</u>	<u>\$ 9,344</u>

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

BLACK FOSSIL SECURITIES, LLC
(A DEVELOPMENT STAGE COMPANY)

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2010

NOTE 1 - NATURE OF OPERATIONS

Black Fossil Securities, LLC (the "Company") was formed January 24, 2008, as a Tennessee limited liability company. The Company's objective is to assist business clients in the private placement of debt and equity securities. The Company is registered with the Securities and Exchange Commission ("SEC") and a member of the Financial Industry Regulatory Authority ("FINRA"). The Company's office is located in Nashville, Tennessee.

The Company received its FINRA approval on September 16, 2008. Operations since inception have primarily consisted of administrative functions and significant revenue producing activities have not commenced. Accordingly, the Company is classified as a development stage enterprise.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements are presented on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America.

Use of estimates in the preparation of financial statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Securities transactions

Any revenue and related clearing expenses from securities transactions are recorded on the trade date. The Company's trading activities are executed by written subscription agreements between investment issuers and investors.

Office equipment

Office equipment is reported at cost less accumulated depreciation. Depreciation is computed on a straight-line basis over the 5-year estimated useful life of the equipment.

BLACK FOSSIL SECURITIES, LLC
(A DEVELOPMENT STAGE COMPANY)

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2010

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income taxes

The Company is not subject to federal income taxes. All of the Company's taxable income (loss) is self-employment income (loss) to the owner and not subject to state excise tax under current state law.

The Company files income tax returns in the State of Tennessee. The State of Tennessee has a statute of limitations of three years from the end of the year in which the return is filed.

Events occurring after reporting date

The Company has evaluated events and transactions that occurred between December 31, 2010 and January 21, 2011, the date the financial statements were available to be issued, for possible recognition or disclosure in the financial statements.

NOTE 3 - RELATED PARTY TRANSACTIONS

Accounts payable to the member amounts to \$602 at December 31, 2010. The member converted other accounts payable totaling \$4,220 during 2010 (\$9,344 since inception) to contributed capital.

The Company has entered into an expense sharing agreement with the member, which has been approved by FINRA. Under the terms of this agreement, the Company pays 11% of various shared expenses, including rent, utilities, salaries, and other miscellaneous expenses. Total such expenses under this agreement were \$3,617 during 2010 (\$9,645 since inception).

NOTE 4 - NET CAPITAL REQUIREMENTS

The Company is subject to the SEC Uniform Net Capital Rule (Rule 15c3-1), which requires the maintenance of minimum net capital of \$5,000 and limits the ratio of aggregate indebtedness to net capital, both as defined, not to exceed 15 to 1. In addition, equity capital may not be withdrawn within one year of the date of contribution or if the resulting net capital ratio would exceed 10 to 1. At December 31, 2010, the Company had net capital as defined of \$15,977, which was \$10,977 in excess of its required minimum of \$5,000. The Company's net capital ratio was .04 to 1.

BLACK FOSSIL SECURITIES, LLC
(A DEVELOPMENT STAGE COMPANY)

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2010

NOTE 5 - PENDING SALE OF COMPANY

On December 20, 2010, the Member entered into an agreement to sell his ownership interest in the Company to an unrelated third party with the closing to occur during 2011 at the earliest date permitted by the rules of FINRA or at such other date as may be agreed to by the parties to the agreement. The agreement may be terminated at any time prior to the closing date by written notice of either party, or April 30, 2011 if the contract has not be consummated.

SUPPLEMENTAL SCHEDULES

BLACK FOSSIL SECURITIES, LLC
(A DEVELOPMENT STAGE COMPANY)

COMPUTATION OF NET CAPITAL

DECEMBER 31, 2010

Net Capital	
Total member's equity from the Statement of Financial Condition	\$ 17,527
Deductions and/or charges:	
Nonallowable assets from the Statement of Financial Condition	<u>(1,550)</u>
Net capital before haircuts on securities positions	15,977
Haircuts on securities	<u>-</u>
Net Capital	<u>\$ 15,977</u>
Aggregate indebtedness	
Accounts payable to member	<u>\$ 602</u>
Total aggregate indebtedness	<u>\$ 602</u>
Computation of Basic Net Capital Requirement	
Net capital requirement	<u>\$ 5,000</u>
Excess net capital	<u>\$ 10,977</u>
Excess net capital at 1000%	<u>\$ 9,977</u>
Percentage of aggregate indebtedness to net capital	<u>4 %</u>

BLACK FOSSIL SECURITIES, LLC
(A DEVELOPMENT STAGE COMPANY)

COMPUTATION FOR DETERMINATION OF RESERVE REQUIREMENTS
PURSUANT TO RULE 15c3-3

DECEMBER 31, 2010

The Company is exempt from the requirements of Rule 15c3-3 under Section k(2)(i) of the Rule.

BLACK FOSSIL SECURITIES, LLC
(A DEVELOPMENT STAGE COMPANY)

INFORMATION RELATING TO THE POSSESSION OR CONTROL
REQUIREMENTS UNDER RULE 15c3-3

DECEMBER 31, 2010

The Company is exempt from the requirements of Rule 15c3-3 under Section k(2)(i) of the Rule.

BLACK FOSSIL SECURITIES, LLC
(A DEVELOPMENT STAGE COMPANY)

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

AS OF DECEMBER 31, 2010

Reconciliation with Company's computation (included in Part II of Form X-17A-5
as of December 31, 2010)

Net capital, as reported in Company's Part II (unaudited Focus report)	\$ 15,977
Net audit adjustments	<u> -</u>
Net capital per audit	<u>\$ 15,977</u>

BLACK FOSSIL SECURITIES, LLC
(A DEVELOPMENT STAGE COMPANY)

RECONCILIATION BETWEEN THE AUDITED AND UNAUDITED
STATEMENTS OF FINANCIAL CONDITION
WITH RESPECT TO METHODS OF CONSOLIDATION

DECEMBER 31, 2010

Not applicable

BLACK FOSSIL SECURITIES, LLC
(A DEVELOPMENT STAGE COMPANY)

MATERIAL INADEQUACIES FOUND TO EXIST OR FOUND TO
HAVE EXISTED SINCE INCEPTION

DECEMBER 31, 2010

None



INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL

Member
Black Fossil Securities, LLC
Nashville, Tennessee

In planning and performing our audit of the financial statements and supplemental schedules of Black Fossil 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 and supplemental schedules, 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 quarterly securities examinations, counts, verifications and comparisons and recordation of differences required by Rule 17a-13.
2. Complying with the requirements for prompt payment for securities under Section 8 of Federal Reserve Regulation T of the Board of Governors of the Federal Reserve System.

The management of the Company is responsible for establishing and maintaining internal control and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of controls and of the practices and procedures referred to in the preceding paragraph and to assess whether those practices and procedures can be expected to achieve the SEC's above-mentioned objectives. Two of the objectives of internal control and the practices and procedures are to provide management with reasonable but not absolute assurance that assets for which the Company has responsibility are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial 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 deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Company's financial statements will not be prevented, or detected and corrected 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 previously.

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 Member, the SEC, the Financial Industry Regulatory Authority and other regulatory agencies that rely on Rule 17a-5(g) under the Securities Exchange Act of 1934 in their regulation of registered broker and dealers, and is not intended to be and should not be used by anyone other than these specified parties.

Kraft CPAs PLLC

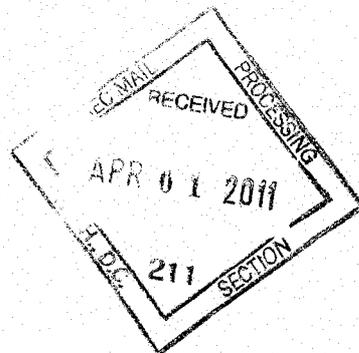
Nashville, Tennessee
January 21, 2011

BLACK FOSSIL SECURITIES, LLC
(A DEVELOPMENT STAGE COMPANY)

NASHVILLE, TENNESSEE

FINANCIAL STATEMENTS, FORM X-17A-5, PART III,
SUPPLEMENTAL SCHEDULES,
AND
INDEPENDENT AUDITORS' REPORTS

DECEMBER 31, 2010



BLACK FOSSIL SECURITIES, LLC
(A DEVELOPMENT STAGE COMPANY)

NASHVILLE, TENNESSEE

FINANCIAL STATEMENTS, FORM X-17A-5, PART III
SUPPLEMENTAL SCHEDULES,
AND
INDEPENDENT AUDITORS' REPORTS

DECEMBER 31, 2010

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