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| OMB APPROVAL | |
| OMB Number: | 3235-0123 |
| Expires: | April 30, 2013 |
| Estimated average burden hours per response: | 12.00 |

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|-----------------|
| SEC FILE NUMBER |
| 8 - 50032 |

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

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 01/01/2011 AND ENDING 12/31/2011
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: **Eltekon Securities, LLC**

| |
|-------------------|
| OFFICIAL USE ONLY |
| FIRM ID. NO. |

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

900 S. Capital of Texas Hwy Suite 160

(No. and Street)

Westlake Hills

(City)

Texas

(State)

78746

(Zip Code)

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

Alicia King

(512) 697-0317

(Area Code - Telephone No.)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

PMB Helin Donovan, LLP

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

5918 W. Courtyard Drive, Suite 500

(Address)

Austin

(City)

Texas

(State)

78730

(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).

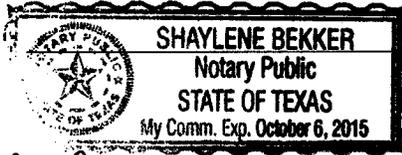
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OATH OR AFFIRMATION

I, Mark Mangum, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Eltekon Securities LLC, as of December 31, 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:

NONE



Shaylene Bekker
Notary Public

[Signature]
Signature

Managing Principal
Title

This report** contains (check all applicable boxes):

- (a) Facing page.
- (b) Statement of Financial Condition.
- (c) Statement of Income (Loss).
- (d) Statement of Cash Flows.
- (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietor's 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).

ELTEKON SECURITIES, LLC

Financial Statements and Supplemental Schedules
December 31, 2011

(With Independent Auditors' Reports Thereon)

ELTEKON SECURITIES, LLC
Index to Financial Statements and Supplemental Schedules
December 31, 2011

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FINANCIAL STATEMENTS

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Eltekon Securities, LLC:

We have audited the accompanying statement of financial condition of Eltekon Securities, LLC (the "Company") as of December 31, 2011, and the related statements of operations, changes in members' 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 Eltekon Securities, LLC as of December 31, 2011, 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 contained in Schedules I and II are 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.

PMB Helin Donovan, LLP

PMB Helin Donovan, LLP

Austin, Texas
January 31, 2012

ELTEKON SECURITIES, LLC
(A wholly-owned subsidiary of Eltekon Financial, LLC)
Statement of Financial Condition
December 31, 2011

| | |
|--|--------------------------|
| Assets | |
| Cash and cash equivalents | \$ 11,583 |
| Cash deposit with clearing broker | 25,000 |
| Receivable from clearing broker | 46,793 |
| Accounts receivable | 1,476 |
| Accounts receivable - related party | 413 |
| Prepaid expenses | 7,526 |
| Total assets | \$ <u>92,791</u> |
| Liabilities and Members' Equity | |
| Liabilities | |
| Payables to related parties | \$ 187 |
| Accrued expenses | 410 |
| Total liabilities | <u>597</u> |
| Members' equity | <u>92,194</u> |
| Total liabilities and members' equity | \$ <u>92,791</u> |

See notes to the financial statements and independent auditors' report.

ELTEKON SECURITIES, LLC
(A wholly-owned subsidiary of Eltekon Financial, LLC)
Statement of Operations
For the Year Ended December 31, 2011

| | |
|---|----------------|
| Revenues: | |
| Loan Advance interest | \$ 108,622 |
| Variable life and annuity | 98,666 |
| Commissions | 74,476 |
| 12b-1 fees | 17,858 |
| Mutual fund revenue | 11,972 |
| Other income | 15,548 |
| Total revenues | <u>327,142</u> |
| Operating expenses: | |
| Commissions, salaries, and payroll expenses | 274,553 |
| Regulatory fees | 12,732 |
| Professional fees | 4,395 |
| Clearing and execution expenses | 6,027 |
| Liability insurance | 9,957 |
| Management fees, related party | 1,000 |
| Other expenses | 18,253 |
| Total operating expenses | <u>326,917</u> |
| Net income before income taxes | 225 |
| Income tax expense | <u>-</u> |
| Net income | <u>\$ 225</u> |

See notes to the financial statements and independent auditors' report.

ELTEKON SECURITIES, LLC
(A wholly-owned subsidiary of Eltekon Financial, LLC)
Statement of Changes in Members' Equity
For the Year Ended December 31, 2011

| | | |
|----------------------------------|----|---------------|
| Balance at December 31, 2010 | \$ | 85,969 |
| Capital contribution from member | | 6,000 |
| Net Income | | 225 |
| Balance at December 31, 2011 | \$ | <u>92,194</u> |

See notes to the financial statements and independent auditors' report.

ELTEKON SECURITIES, LLC
(A wholly-owned subsidiary of Eltekon Financial, LLC)
Statement of Cash Flows
For the Year Ended December 31, 2011

| | |
|---|-------------------------|
| Cash flows from operating activities: | |
| Net income | \$ 225 |
| Adjustments to reconcile net income to net cash provided by operating activities: | |
| Change in assets and liabilities: | |
| Receivable from clearing broker | 249 |
| Accounts receivable | 523 |
| Accounts receivable, related party | (277) |
| Prepaid expenses | (1,247) |
| Payables to related parties | 187 |
| Accrued expenses | 106 |
| Net cash used in operating activities | <u>(234)</u> |
| Cash flows from financing activities: | |
| Contribution from member | \$ <u>6,000</u> |
| Net cash provided by financing activities | 6,000 |
| Net increase in cash | 5,766 |
| Cash and cash equivalents at beginning of year | <u>5,817</u> |
| Cash and cash equivalents at end of year | <u><u>\$ 11,583</u></u> |
| Supplemental disclosures of cash flow information: | |
| Income taxes paid | \$ <u>-</u> |
| Interest paid | \$ <u>-</u> |

See notes to the financial statements and independent auditors' report.

ELTEKON SECURITIES, LLC
(A wholly-owned subsidiary of Eltek Financial, LLC)
Notes to the Financial Statements
December 31, 2011

Note 1 - Nature of Business

Eltek Securities, LLC (the "Company") is a Texas Limited Liability Company formed on December 18, 2000. The Company is a broker-dealer registered with the Securities and Exchange Commission ("SEC") and is a member of the Financial Industry Regulatory Authority ("FINRA"). As an introducing broker-dealer, the Company does not hold customer funds or securities, and clears all customer transactions on a fully disclosed basis through a clearing broker. The Company has one office located in Texas. The Company operates under the provisions of paragraph K(3) of Rule 15c3-3 of the SEC involving the sale of corporate securities and business brokerage activities.

The Company is a wholly-owned subsidiary of Eltek Financial, LLC ("EF"), who is the parent and sole member. The Company relies on contributions from its member to fund operations.

The Company has claimed exemption from Rule 15c3-3 ("Rule") under section (k)(2)(ii) of the SEC, and accordingly is exempt from the remaining provisions of that Rule.

Note 2 - Significant Accounting Policies

Basis of Accounting

These financial statements are presented on the accrual basis of accounting in accordance with generally accepted accounting principles whereby revenues are recognized in the period earned and expenses when incurred.

Cash equivalents

For purposes of the statements of cash flows, the Company considers short-term investments, which may be withdrawn at any time without penalty, and restricted cash, which will become available within one year from the date of the financial statements, to be cash equivalents.

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 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

Revenues from securities are recognized as commission fees and are recorded on a trade-date basis. Mutual fund revenue is accrued monthly as earned.

Insurance Commissions

Insurance commissions are recorded when the insurance products are funded by the customer and the commission is earned.

ELTEKON SECURITIES, LLC
(A wholly-owned subsidiary of Eltekon Financial, LLC)
Notes to the Financial Statements
December 31, 2011
(Continued)

Receivables and Credit Policy

Accounts receivable are stated at the amounts management expects to collect from outstanding balances. The carrying amounts of accounts receivable are reduced by a valuation allowance, if needed, that reflects management's best estimate of the amounts that will not be collected. Management individually reviews all receivable balances that exceed 30 days from invoice date and, based on an assessment of current creditworthiness, estimates the portion, if any, of the balance that will not be collected. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to the respective receivable account.

Deposit with Clearing Broker

The Company and the clearing broker attempt to control the risks associated with customer activities by limiting customer accounts to only cash type accounts and monitoring for prompt customer payments in accordance with various regulatory guidelines. The Company maintains a \$25,000 deposit account with the clearing broker to secure its obligation to fund any losses incurred by the clearing broker on customer transactions.

Receivable from or Payable to Clearing Broker

Receivable from or payable to clearing broker represents the net amount due from or to the Company's clearing broker for funds held in Company accounts net of clearing, execution, and sundry charges incurred for the execution of trades for customers of the Company. These charges are recorded on a trade date basis.

Financial instruments and credit risk

Financial instruments that potentially subject the Company to credit risk include cash and receivables from customers.

Income Taxes

The Company is treated as a flow-through entity for income tax purposes, similar to a partnership. As a result, the net taxable income of the Company and any related tax credits, for federal income tax purposes, are deemed to pass to the individual member and is included in its personal tax return even though such net taxable income or tax credits may not actually have been distributed. Accordingly, no tax provision has been made in the financial statements since the income tax is a personal obligation of the individual member.

The Company is subject to Texas franchise tax. The tax is based on taxable margin, as defined under the law, rather than being based on federal taxable income. For the year ended December 31, 2011, the Company's Texas franchise tax expense was zero.

Management Review

The Company has evaluated subsequent events through January 31, 2012, the date the financial statements were available to be issued.

Recent Accounting Pronouncements

Accounting standards that have been issued or proposed by the Financial Accounting Standards Board ("FASB") or other standards-setting bodies are not expected to have a material impact on the Company's financial position, results of operations or cash flows.

ELTEKON SECURITIES, LLC
(A wholly-owned subsidiary of Eltekon Financial, LLC)
Notes to the Financial Statements
December 31, 2011
(Continued)

Note 3 - Capital Contribution

The Company received a \$6,000 contribution during the year from its parent and sole member, Eltekon Financial, LLC.

Note 4 - Fair Value Measurements

The fair value of the Company's financial instruments reflects the amounts that the Company estimates to receive in connection with the sale of an asset or paid in connection with the transfer of a liability in an orderly transaction between market participants at the measurement date (exit price). The fair value hierarchy that prioritizes the use of inputs used in valuation techniques is as follows:

Level 1 – quoted prices in active markets for identical assets and liabilities;

Level 2 – observable inputs other than quoted prices in active markets, such as quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets and liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data;

Level 3 – unobservable inputs reflecting management's assumptions, consistent with reasonably available assumptions made by other market participants. These valuations require significant judgment.

The carrying amounts of the Company's financial instruments, which include cash and cash equivalents and related party payables, approximate their fair values due to their short maturities.

Note 5 - Related Party Transaction

The Company and Eltekon Management Group ("EMG") have a management agreement in which EMG agrees to pay certain overhead expenses of the Company. EMG elected to waive the fee, per the management agreement, during 2011 and charged the Company its pro-rata share of overhead expenses which totaled \$21,661.

The Company also clears transactions through Pershing LLC on behalf of Eltekon Advisors, LLC ("Advisors") who shares common ownership. The Company received \$8,870 in commission fees related to these transactions for the year ended December 31, 2011.

The Company had a receivable totaling \$413 at December 31, 2011 related to amounts due from Eltekon Advisors, LLC for fees and dues paid on their behalf by the Company.

The Company is economically dependent on Eltekon Financial, LLC.

ELTEKON SECURITIES, LLC
(A wholly-owned subsidiary of Eltekon Financial, LLC)
Notes to the Financial Statements
December 31, 2011
(Continued)

Note 6 - Net Capital Requirements

The Company is subject to the SEC uniform net capital rule ("Rule 15c3-1"), which requires the maintenance of a minimum amount of 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. At December 31, 2011, the Company had net capital and net capital requirements of \$84,255 and \$5,000, respectively. The Company's aggregate indebtedness to net capital ratio was 0.71 to 1.

Note 7 - Liabilities subordinated to claims of general creditors

During the year ended December 31, 2011, there were no liabilities subordinated to the claims of general creditors. Accordingly, a statement of changes in liabilities subordinated to claims of general creditors has not been included in these financial statements.

Note 8 - Possession or control requirements under rule 15c-3-3

The Company does not have any possession or control of customer funds or securities. There were no material inadequacies in the procedures followed in adhering to the provisions of Paragraph K(2)(ii) of Rule 15c3-3 of the SEC by promptly transmitting all customer funds and securities to the clearing broker who carries the customer accounts.

Note 9 - FINRA Correspondence

As a result of a FINRA exam conducted in July 2009, FINRA deemed assets recorded by the Company as allowable were in fact non-allowable. It was determined that the Company operated in the securities business from December 31, 2008 through January 14, 2009 with net capital that was below its required minimum. FINRA notified the Company in January 2011 that there was a monetary fine of \$5,000 for this matter of noncompliance. The Company paid the fee on March 15, 2011.

ELTEKON SECURITIES, LLC
Computation Net Capital and Aggregate Indebtedness
Pursuant to Rule 15c-1 of the Securities and Exchange Commission
For the Year Ended December 31, 2011

| | |
|---|-----------|
| Total members' equity qualified for net capital | \$ 92,194 |
| Deductions and/or charges | |
| Non-allowable assets: | |
| Non-allowable receivables | 413 |
| Prepaid assets | 7,526 |
| Total deductions and/or charges | 7,939 |
| Net capital before haircuts on securities | 84,255 |
| Haircuts on securities | - |
| Net capital | \$ 84,255 |
| Aggregate indebtedness | |
| Accrued expenses and other liabilities | \$ 597 |
| Total aggregate indebtedness | \$ 597 |
| Computation of basic net capital requirement | |
| Minimum net capital required (greater of \$5,000 or 6 2/3% of aggregate indebtedness) | \$ 5,000 |
| Net capital in excess of minimum requirement | \$ 79,255 |
| Excess net capital at 10% of aggregate indebtedness | \$ 84,195 |
| Ratio of aggregate indebtedness to net capital | 0.71 to 1 |

Note: The above computation does not differ from the computation of net capital under Rule 15c3-1 as of December 31, 2011 as reported by Eltekon Securities, LLC on Form X-17A-5. Accordingly, no reconciliation is deemed necessary.

See notes to the financial statements and independent auditors' report.

ELTEKON SECURITIES, LLC
Computation for Determination of Reserve Requirements Under
Rule 15c3-3 of the Securities and Exchange Commission
As of December 31, 2011

SCHEDULE II

EXEMPTIVE PROVISIONS

The Company has claimed an exemption from Rule 15c3-3 under section (k)(2)(ii), in which all customer transactions are cleared through another broker-dealer on a fully disclosed basis.

Company's clearing firm: Pershing, LLC

**INDEPENDENT AUDITORS' REPORT
ON INTERNAL CONTROL**

To the Board of Directors of
Eltekon Securities, LLC:

In planning and performing our audit of the financial statements and supplemental schedule of Eltekon Securities, LLC (the "Company") as of and for the year ended December 31, 2011 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 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 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
2. Recordation of differences required by rule 17a-13
3. 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 preparation of financial statements in accordance 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, 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 were adequate at December 31, 2011 to meet the SEC's objectives.

This report is intended solely for use of the Managers, management, the SEC, the Financial Industry Regulatory Authority, Inc. 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.

PMB Helin Donovan, LLP

PMB Helin Donovan, LLP

Austin, Texas
January 31, 2012