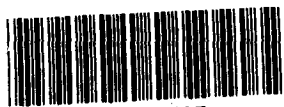


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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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

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

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: **Crown Capital Securities, L.P.**

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

725 Town and Country Road, STE 530

(No. and Street)

Orange,

California

92868

(City)

(State)

(Zip Code)

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

Darol K. Paulsen

714 547-9481

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Bates Coughtry Reiss LLP

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

2601 Saturn Street, STE 210

Brea

California

92821-6702

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

Certified Public Accountant

Public Accountant

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

FOR OFFICIAL USE ONLY

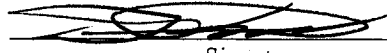
*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

SEC 1410 (06-02)

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

OATH OR AFFIRMATION

I, Darol K. Paulsen, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Crown Capital Securities, L.P., as of December 31,, 20 11, 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
C.E.O.

Title

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.
- N/A (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- (g) Computation of Net Capital.
- Exempt (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- Exempt (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- Exempt (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.
- N/A (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 (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).

State of California
County of Orange

Subscribed and sworn to (or affirmed) before me on this 23rd
day of February, 2012, by Daryl K. Paulsen,
proved to me on the basis of satisfactory evidence to be the
person(s) who appeared before me.



(Seal)

Signature

Melinda Jannino
Notary Public

CROWN CAPITAL SECURITIES, L.P.

AUDITORS' REPORT

DECEMBER 31, 2011

**Bates
Coughtry
Reiss
LLP**

**Serving Growing
Companies Since 1967**

**Certified Public Accountants
Brea, California**

CROWN CAPITAL SECURITIES, L.P.
INDEPENDENT AUDITORS' REPORT
DECEMBER 31, 2011

CROWN CAPITAL SECURITIES, L.P.

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David L. Bates
Wayne R. Coughtry
(1936 - 1997)
Stephen P. Janowicz*
Kenneth J. Liekhus*
Jeffrey P. Reiss

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Brian D. Bates
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Kathy Evans
Lori Henderson
Debra L. Howe
Shawn B. LaBurn
Louis H. Lopez
Judith A. Pappe
(1946 - 2005)

*Professional Corporation

INDEPENDENT AUDITORS' REPORT

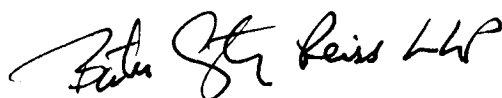
Partnership's Management
Crown Capital Securities, L.P.
Orange, California

We have audited the accompanying statement of financial condition of Crown Capital Securities, L.P. (a Delaware Limited Partnership) as of December 31, 2011 and the related statements of loss, changes in partners' capital, and cash flows for the year then ended that are filed pursuant to Rule 17a-5 under the Securities Exchange Act of 1934. These financial statements are the responsibility of the Partnership'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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Partnership's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, 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 Crown Capital Securities, L.P. 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 financial statements taken as a whole. The supplementary information contained in Schedules I, II, III, IV and V required by rule 17a-5 of the Securities Exchange Act of 1934 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards, generally accepted in the United States if America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



Brea, California
February 23, 2012

CROWN CAPITAL SECURITIES, L.P.
STATEMENT OF FINANCIAL CONDITION
December 31, 2011

ASSETS

CURRENT ASSETS:

Cash	\$ 2,985,050
Commissions receivable	1,754,917
Prepaid insurance	<u>91,820</u>
Total current assets	4,831,787

OTHER ASSETS:

Loans receivable	48,698
Deposit - pershing	75,000
Deposit - Other	4,022
Investments	<u>226</u>

Total assets	<u>\$ 4,959,733</u>
--------------	---------------------

LIABILITIES AND PARTNERS' CAPITAL

CURRENT LIABILITIES:

Commissions payable	\$ 2,138,142
Conference deposits	275,727
Accrued tax provision	9,130
Accrued expenses	<u>672,395</u>

Total current liabilities	3,095,394
---------------------------	-----------

LONG-TERM LIABILITIES

Total liabilities	<u>-</u>
	<u>3,095,394</u>

COMMITMENTS

PARTNERS' CAPITAL

Total liabilities and partners' capital	<u>\$ 4,959,733</u>
---	---------------------

See Independent Auditors' Report.
See Accompanying Notes to Financial Statements.

CROWN CAPITAL SECURITIES, L.P.
STATEMENT OF LOSS
For the Year Ended December 31, 2011

REVENUE:	
Variable annuities	\$ 12,172,849
Mutual funds	6,171,361
RIA	8,104,228
Securities	1,978,554
Variable life	325,414
Limited partnerships	3,227,793
Tax sheltered annuities	775,215
Insurance	250
Interest income	172
Marketing fees	174,025
Miscellaneous	44,066
Reimbursements	957,091
Total revenue	<u>33,931,018</u>
EXPENSES:	
Automobile expenses	17,918
Advertising, printing, & postage	150,445
Bank charges	4,125
Commission expense	28,843,998
Contract service fees - personnel	1,901,304
Contract service fees - facilities & equipment	333,731
Conferences and seminars	16,755
Computer services	153,475
Computer image processing	24,152
Dues and subscriptions	294,724
Insurance	632,344
Interest	9,456
Meals & entertainment	104,299
Office supplies and expenses	67,905
Professional fees	470,041
Tax, license and permits	214,558
Tax, states provision	9,130
Miscellaneous expenses	7,218
Security	513
Settlements	1,144,225
Total expenses	<u>34,400,316</u>
NET LOSS	<u>\$ (469,298)</u>

See Independent Auditors' Report.
See Accompanying Notes to Financial Statements.

CROWN CAPITAL SECURITIES, L.P.
STATEMENT OF CHANGES IN PARTNERS' CAPITAL
As of December 31, 2011

	<u>General Partner</u>	<u>Limited Partners</u>	<u>Total</u>
Beginning Partners' Capital	\$ 1,893,737	\$ 1,401,900	\$ 3,295,637
Net Loss	(315,978)	(153,320)	(469,298)
Distributions to Partners	<u>(647,715)</u>	<u>(314,285)</u>	<u>(962,000)</u>
Ending Balance at December 31, 2011	<u>\$ 930,044</u>	<u>\$ 934,295</u>	<u>\$ 1,864,339</u>

See Independent Auditors' Report.
See Accompanying Notes to Financial Statements.

CROWN CAPITAL SECURITIES, L.P.
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2011
Increase (Decrease) in Cash and Cash Equivalents

CASH FLOWS FROM OPERATING ACTIVITIES:

Net loss		\$ (469,298)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Amortization of loan receivable commission	\$ 15,354	
Gain on liquidation	(227)	
Changes in operating assets and liabilities:		
Decrease in commissions receivable	69,453	
Increase in prepaid expenses	(16,060)	
Increase in deposits	(25,338)	
Increase in commissions payable	39,373	
Increase in conference deposits	73,641	
Decrease in accrued tax provision	(12,370)	
Increase in accrued expenses	<u>616,600</u>	
Total adjustments		<u>760,426</u>
Net cash provided by operating activities		291,128
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from liquidation of investment	<u>22,025</u>	
Net cash provided by investing activities		22,025
CASH FLOWS FROM FINANCING ACTIVITIES:		
Cash distributions to partners	<u>(962,000)</u>	
Net cash used for financing activities		<u>(962,000)</u>
Net Decrease in Cash and Cash Equivalents		(648,847)
Cash and Cash Equivalents at Beginning of Year		<u>3,633,897</u>
Cash and Cash Equivalents at End of Year		<u>\$ 2,985,050</u>

See Independent Auditors' Report.
See Accompanying Notes to Financial Statements.

CROWN CAPITAL SECURITIES, L.P.
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

NOTE 1 – NATURE OF OPERATIONS and SIGNIFICANT ACCOUNTING POLICIES

- A. The Limited Partnership was formed in the State of Delaware on January 4, 1999 and is a registered broker-dealer with the SEC and is a member of FINRA. The Limited Partnership is a non-issuer (introducing) broker-dealer and serves as an investment advisor and provides related investment services and activities such as seminars and conferences.

Effective June 1, 1999, the Partnership purchased the broker-dealer license from Eric Equities, Inc. As of June 1, 1999 all of Eric Equities, Inc.'s security and annuity activities were transferred to Crown Capital Securities, L.P. and Crown Capital Securities, L.P. commenced business as a broker/dealer. As of December 31, 2011 the Partnership is registered in fifty states and in Washington, D.C.

- B. The Partnership has entered into an expense reimbursement service agreement with Consolidated Brokerage Services, Inc. (a California corporation), where Consolidated Brokerage Services, Inc. provides professional and administrative personnel and various office services for the Partnership. In addition to the expense reimbursements, the Partnership pays a monthly processing fee to Consolidated Brokerage Services, Inc., as indicated in Note 6.
- C. All transactions are recorded using the accrual method of accounting.
- D. Management has reviewed the December 31, 2011 commission receivable balance of \$1,754,917. All significant receivables have been collected within 45 days following the close of the year. As such, no allowance for bad debts has been included in the financial statements. Approximately \$144,482 of the commissions receivable as of December 31, 2011 were held in various brokerage escrow accounts with Pershing LLC which also serves as the Partnership's clearing broker-dealer and which maintains custodial accounts of the Partnership's customers.
- E. Commissions are reflected as income when earned on a trade-date basis and commissions due to broker-dealer sales representatives are recorded as an expense on that same basis.
- F. Advertising costs are expensed as incurred. Advertising expense for the year ended December 31, 2011 is \$111,362.
- G. The Statement of Cash Flows is prepared on the cash and cash equivalent basis using the indirect method. For purposes of the Statement of Cash Flows, the Partnership considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.
- H. 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.
- I. The Partnership's financial instruments are cash and cash equivalents, commissions receivable, and commissions payable which approximate their estimated fair values based on their short-term nature.

The recorded values of loans receivable approximate their fair values, as interest approximates market rate. However, management intends to discount the loans 20% per year in lieu of receiving principal payments if the terms of the loan agreements are met by the borrower.

See Independent Auditors' Report.

CROWN CAPITAL SECURITIES, L.P.
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

NOTE 1 – NATURE OF OPERATIONS and SIGNIFICANT ACCOUNTING POLICIES (continued)

- J. The Partnership's investment's recorded value of \$226 has been reported at cost basis which approximates its estimated fair value as of December 31, 2011.
- K. The Partnership has adopted FASB ASC 740, Income Taxes (formerly referenced as SFAS Financial Interpretation No. 48, Accounting for Uncertainty in Income Taxes – an interpretation of FASB Statement No. 109), which changes the framework for accounting for uncertainty in income taxes. Management has considered its tax positions and believes that the positions taken by the Partnership are more-likely-than-not to be sustained upon examination.

The federal and state income tax returns of the Partnership are subject to examination by the IRS for three years after the tax returns are filed. For state authorities the income tax returns generally are subject to examination for a four year period after the tax returns are filed. For the years 2007 through 2010 the Partnership filed the tax returns by their respective due dates. The tax return for year ended 2011 has a pending filing due date of April 15, 2012.

All material tax effects of the Partnership's income or loss are passed through to the partners individually.

- L. The Partnership's management has evaluated subsequent events through February 23, 2012, the date that the financial statements were available to be issued. A significant subsequent event is referenced in Note 11. No other significant subsequent events have been identified that would require adjustment of or a disclosure in the accompanying financial statements.

NOTE 2 – CASH AND CASH EQUIVALENTS

As of December 31, 2011 cash and cash equivalents consist of:

Cash in Union Bank of California	\$ 2,985,050
Certificates of Deposit: None	-
Total	<u>\$ 2,985,050</u>

During the year the Partnership purchased various short-term 30 day Certificates of Deposit that have all matured as of December 31, 2011. All Certificates of Deposit were purchased and redeemed through UnionBanc Investment Services, LLC.

NOTE 3 – CONFERENCE DEPOSITS

The conference deposits of \$275,727 at December 31, 2011 are for attendance fees received for participation in Crown Capital Securities, L.P.'s Marketing Programs in 2012.

NOTE 4 – CONTINGENT LIABILITY

The Partnership acts as an agent in selling tax-sheltered annuities for certain insurance companies. In the event of cancellation of any tax-sheltered annuity contracts by the purchasers, the Partnership may incur a liability for return of unearned commissions. However, the number of cancellations experienced by the Partnership to date has been insignificant.

See Independent Auditors' Report.

CROWN CAPITAL SECURITIES, L.P.
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

NOTE 5 – OPERATING LEASES

The Partnership leases office space in Orange, California. The lease was amended in November 2009 and expires in May 2015. The Partnership also leases some office equipment through September 2015. The following is a schedule by years of the remaining future minimum lease obligation payments for the years ending December 31: 2012 - \$252,631; 2013 - \$259,238; 2014 - \$266,232 and 2015 - \$115,632.

NOTE 6 – RELATED PARTY TRANSACTIONS

Various administrative and office services for the Partnership are performed by Consolidated Brokerage Services, Inc. (CBS) pursuant to a service agreement that requires the monthly reimbursement of operating expenses and a monthly processing fee of \$2,500 to be paid by the Partnership. CBS provides professional and administrative personnel, and various other office services. The individual that is the 100 percent owner of Consolidated Brokerage Services, Inc. also has an ownership interest in Delta Capital Holdings, LLC and Delta Broker Holding, LLC, which are the general and limited partners (respectively) of Crown Capital Securities, L.P. During the year ended December 31, 2011, the Partnership paid \$2,897,464 to Consolidated Brokerage Services, Inc. for the reimbursement of the various administrative and office expenses and processing fees pursuant to the service agreement.

The Partnership records the service agreement payments by expense categories consisting of: personnel, facilities and equipment, and various other general and administrative expense categories.

The Partnership also has an affiliation agreement with Crown Capital Insurance Agency, L.L.C. (CCIA), where CCIA agrees to provide the Partnership with the exclusive use of the licenses that the Partnership reasonably requires to operate its business as a full-service broker/dealer and investment advisor. In consideration for CCIA providing the use of the licenses, the Partnership shall advance funds to or reimburse CCIA for any and all expenses CCIA incurs with obtaining or maintaining the licenses, or otherwise in connection with the licenses.

During the year ended December 31, 2011, the Partnership paid CCIA \$6,675 as reimbursement for expenses.

NOTE 7 – STATEMENT OF CASH FLOWS

A. Supplemental disclosure of Cash Flow information:

Cash paid during the year for:

Interest Expense	\$ 9,456
States Income Taxes	\$ 14,139

Supplemental schedule of noncash investing and financing activities: none.

See Independent Auditors' Report.

CROWN CAPITAL SECURITIES, L.P.
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

NOTE 8 – CONCENTRATIONS OF CREDIT RISK

Financial instruments, which potentially expose the Company to concentrations of credit risk, consist primarily of:

A. Commissions Receivable

Most of the Partnership's business activity, selling various types of registered securities and investments on a commission basis, is done through regulated investment companies located nationwide.

B. Cash Accounts

The Partnership maintains its general non-interest earning cash account in Union Bank of California and periodically purchases various short term certificates of deposit from other banks through UnionBanc Investment Services, LLC. Pursuant to the current insurance provisions of the Federal Deposit Insurance Corporation (FDIC), non-interest bearing transaction bank accounts are insured for the entire balance. Accordingly, the Partnership did not have any excess uninsured cash balances as of December 31, 2011.

NOTE 9 – NET CAPITAL REQUIREMENTS

The Partnership 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 allowable net capital, both as defined, shall not exceed 15 to 1. At December 31, 2011, the Company had net allowable capital of \$1,525,850 as computed in supplementary schedule I, which was \$1,319,490 in excess of its required net capital of \$206,360. The required net capital is computed at .0666667 of the \$3,095,394 liabilities indicated on the December 31, 2011 Statement of Financial Condition. The Partnership's liabilities to net capital ratio was 2.0286 to 1.

NOTE 10 – CONTINGENCIES AND UNCERTAINTIES

As of December 31, 2011 the Partnership is named as a defendant in various statements of claims for an approximate aggregate amount of \$1,703,250 which excludes the subsequent settlements mentioned in note 11. The claims are subject to FINRA arbitration and the Partnership's legal counsel is proceeding accordingly. The Partnership's management believes it has meritorious defenses and will be vigorously defending itself against the claims. However, the outcome is yet uncertain. Such FINRA arbitration proceedings are not uncommon in the broker-dealer industry and usually involve claims that the Partnership either defends itself successfully, or upon meeting their insurance premium deductible, any excess settlement balance is covered by insurance.

As of December 31, 2011 the Partnership has commenced litigation against one of their insurance providers. The Partnership is seeking monetary restitution of denied insurance coverage for settlements paid of approximately \$1,225,000 plus legal fees. However, the outcome is yet uncertain and therefore a gain contingency has not been accrued in the financial statements.

NOTE 11 – SUBSEQUENT EVENTS

Management has accrued \$465,000 for a legal settlement offer made after December 31, 2011 but prior to the date which the financials were available to be issued. Also, a separate \$499,250 claim is pending an arbitration ruling, however, the Partnership has already met a \$50,000 insurance premium deductible and any final settlement would be paid by one of their insurance providers.

See Independent Auditors' Report.

SUPPLEMENTARY INFORMATION

CROWN CAPITAL SECURITIES, L.P.
SUPPLEMENTAL SCHEDULES
December 31, 2011

SCHEDULE I

Computation of net capital pursuant to Rule 15c3-1:

Total Partners' Capital		\$ 1,864,339
Liabilities subordinated to claims of general creditors		<u>-</u>
Total capital and allowable subordinated liabilities		1,864,339
Less non-allowable assets:		
Commissions receivable	\$ 168,487	
Loans receivable	48,698	
Prepaid insurance	91,820	
Deposits & Investments	<u>4,247</u>	
Less total non-allowable		(313,252)
Less other deductions:		
Fidelity bond deductible		<u>(25,237)</u>
Net capital		<u>\$ 1,525,850</u>

SCHEDULE II

Computation of reserve requirement pursuant to Rule 15c3-3:

The Partnership is exempt from any reserve computation requirements under the exemption provided for in Rule 15c3-3(k)(2)(ii).

SCHEDULE III

Information relating to the possession or control requirements under Rule 15c3-3:

The Partnership clears all transactions with and for customers on a fully disclosed basis with a clearing broker or dealer, and promptly transmits all customer funds and securities to the clearing broker or dealer which carries all of the accounts of such customers and maintains and preserves such books and records pertaining thereto pursuant to the requirements of Rules 17a-3 and 17a-4, as are customarily made and kept by a clearing broker or dealer.

The Partnership is exempt from possession or control requirements under the exemption provided for in Rule 15c3-3(k)(2)(ii).

SCHEDULE IV

Reconciliation of net capital computation to the reserve computation pursuant to Rule 17a5(d)(4):

The Partnership is exempt from any reserve requirements under Rule 15c3-3(k)(2)(ii). Accordingly, no computation or reconciliation is required.

See Independent Auditors' Report.

CROWN CAPITAL SECURITIES, L.P.
SUPPLEMENTAL SCHEDULE V
December 31, 2011

RECONCILIATION OF THE COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1

	<u>Partners' Capital</u>	<u>Non-Allowable Items</u>	<u>Net Capital</u>
Unaudited Fourth Quarter, Focus Report, 12/31/2011	\$ 2,414,975	\$ (313,568)	\$ 2,101,407
Audit Adjustments:			
Increase/(Decrease) in Revenue:	319,677	-	319,677
Decrease/(Increase) in Expenses:	(870,313)	-	(870,313)
(Increase)/Decrease in Assets:			
Commissions Receivable - non-allowable	-	(31,965)	(31,965)
Decrease/(Increase) in Other Reductions:			
Fidelity Bond Provision	-	7,044	7,044
Net Capital, 12/31/11	<u>\$ 1,864,339</u>	<u>\$ (338,489)</u>	<u>\$ 1,525,850</u>

See Independent Auditor's Report.

**Bates
Coughtry
Reiss
LLP**

Serving Growing
Companies Since 1967

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(1946 - 2005)

*Professional Corporation

**Independent Auditors' Report on Internal Control
Required by SEC Rule 17a-5(g)(1)
for a Broker-Dealer Claiming an Exemption From SEC Rule 15c3-3**

Partnership's Management
Crown Capital Securities, L.P.
Orange, California

In planning and performing our audit of the financial statements and supplemental schedules of Crown Capital Securities, L.P. (a Delaware Limited Partnership), 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 Partnership'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 Partnership's internal control. Accordingly we do not express an opinion on the effectiveness of the Partnership'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 Partnership 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 Partnership 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 Partnership 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 Partnership 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 previously 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 Partnership 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 *deficiency in internal control* 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 Partnership'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 Partnership's practices and procedures, as described in the second paragraph of this report, were adequate at December 31, 2011 to meet the SEC's objectives.

This report is intended solely for the information and use of the Partners', Partnership's management, the SEC, the PCAOB, the Financial Industry Regulatory Agency (FINRA), 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.

A handwritten signature in black ink, appearing to read "Peter G. Rein LLP". The signature is written in a cursive, flowing style.

Brea, California
February 23, 2012

**Bates
Coughtry
Reiss
LLP**

Serving Growing
Companies Since 1967

David L. Bates
Wayne R. Coughtry
(1936 - 1997)
Stephen P. Janowicz*
Kenneth J. Liekhus*
Jeffrey P. Reiss
.....

Brian D. Bates
Steve Bertolucci
Robyn R. Bjorklund
Kathy Evans
Lori Henderson
Debra L. Howe
Shawn B. LaBurn
Louis H. Lopez
Judith A. Pappé
(1946 - 2005)

*Professional Corporation

**Independent Accountants' Report on Applying Agreed-Upon
Procedures Related to an Entity's SIPC Assessment Reconciliation**

Partnership's Management
Crown Capital Securities, L.P.
725 Town & Country Road, Suite 530
Orange, CA 92868

In accordance with Rule 17a-5(e)(4) under the Securities Exchange Act of 1934, we have performed the procedures enumerated below with respect to the accompanying Schedule of Assessment and Payments [General Assessment Reconciliation (Form SIPC-7)] to the Securities Investor Protection Corporation (SIPC), for the year ended December 31, 2011, which were agreed to by Crown Capital Securities, L.P. and the Securities and Exchange Commission, Financial Industry Regulatory Authority, Inc., and SIPC solely to assist you and the other specified parties in evaluating Crown Capital Securities, L.P.'s compliance with the applicable instructions of the General Assessment Reconciliation (Form SIPC-7). Crown Capital Securities, L.P.'s management is responsible for Crown Capital Securities, L.P.'s compliance with those requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose. The procedures we performed and our findings are as follows:

1. Compared the listed assessment payments in Form SIPC-7, which you prepared, with the respective cash disbursements records entries in the Partnership's "Cash in Bank" Check Register and referenced as check #6867 in the amount of \$18,511 noting no differences;
2. Compared the amounts reported on the audited Form X-17A-5 for the year ended December 31, 2011, as applicable, with the amounts reported in Form SIPC-7 for the year ended December 31, 2011 noting no differences;
3. Compared any adjustments reported in Form SIPC-7 with supporting schedules and working papers consisting of the Profit and Loss Report for December 31, 2011 noting no differences;
4. Proved the arithmetical accuracy of the calculations reflected in Form SIPC-7 and in the related schedules and working papers by comparing the Profit and Loss Reports for the periods ending January 1, 2011 and December 31, 2011 supporting the adjustments noting no differences; and
5. Compared the amount of any overpayment applied to the current assessment with the Form SPIC-7 on which it was originally computed noting no differences.

We were not engaged to, and did not conduct an examination, the objective of which would be the expression of an opinion on compliance. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the specified parties listed above and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Bala Chharia". The signature is fluid and cursive, with the first name "Bala" and last name "Chharia" clearly distinguishable. The "LLP" part of the signature is written in a smaller, more upright font.

Brea, California
February 23, 2012

SIPC-7

(33-REV 7/10)

SECURITIES INVESTOR PROTECTION CORPORATION
P.O. Box 92185 Washington, D.C. 20090-2185
202-371-8300

General Assessment Reconciliation

SIPC-7

(33-REV 7/10)

For the fiscal year ended 12-31, 2011

(Read carefully the instructions in your Working Copy before completing this Form)

TO BE FILED BY ALL SIPC MEMBERS WITH FISCAL YEAR ENDINGS

1. Name of Member, address, Designated Examining Authority, 1934 Act registration no. and month in which fiscal year ends for purposes of the audit requirement of SEC Rule 17a-5:

017284 FINRA DEC
CROWN CAPITAL SECURITIES LP 23*24
725 W TOWN AND COUNTRY RD STE 530
ORANGE CA 92668-4728

Note: If any of the information shown on the mailing label requires correction, please e-mail any corrections to form@sipc.org and so indicate on the form filed.

Name and telephone number of person to contact respecting this form.

- 2. A. General Assessment (item 2e from page 2) \$ 36215
- B. Less payment made with SIPC-6 filed (exclude interest) (17704
7-26-11
Date Paid
- C. Less prior overpayment applied (_____
- D. Assessment balance due or (overpayment) 18511
- E. Interest computed on late payment (see instruction E) for _____ days at 20% per annum _____
- F. Total assessment balance and interest due (or overpayment carried forward) \$ 18511
- G. PAID WITH THIS FORM:
Check enclosed, payable to SIPC
Total (must be same as F above) \$ 18511
- H. Overpayment carried forward \$(_____)

3. Subsidiaries (S) and predecessors (P) included in this form (give name and 1934 Act registration number):

The SIPC member submitting this form and the person by whom it is executed represent thereby that all information contained herein is true, correct and complete.

Crown Capital Securites LP

(Name of Corporation, Partnership or other organization)

(Authorized Signature)

CEO

(Title)

Dated the 21 day of Feb, 2012.

This form and the assessment payment is due 60 days after the end of the fiscal year. Retain the Working Copy of this form for a period of not less than 6 years, the latest 2 years in an easily accessible place.

SIPC REVIEWER Dates: _____
Postmarked Received Reviewed

Calculations _____ Documentation _____ Forward Copy _____

Exceptions: _____

Disposition of exceptions: _____

**DETERMINATION OF "SIPC NET OPERATING REVENUES"
AND GENERAL ASSESSMENT**

Amounts for the fiscal period
beginning 1-1, 2011
and ending 12-31, 2011

Eliminate cents

Item No.

2a. Total revenue (FOCUS Line 12/Part IIA Line 9, Code 4030)

\$ 33931017

2b. Additions:

- (1) Total revenues from the securities business of subsidiaries (except foreign subsidiaries) and predecessors not included above.
- (2) Net loss from principal transactions in securities in trading accounts.
- (3) Net loss from principal transactions in commodities in trading accounts.
- (4) Interest and dividend expense deducted in determining item 2a.
- (5) Net loss from management of or participation in the underwriting or distribution of securities.
- (6) Expenses other than advertising, printing, registration fees and legal fees deducted in determining net profit from management of or participation in underwriting or distribution of securities.
- (7) Net loss from securities in investment accounts.

Total additions

2c. Deductions:

- (1) Revenues from the distribution of shares of a registered open end investment company or unit investment trust, from the sale of variable annuities, from the business of insurance, from investment advisory services rendered to registered investment companies or insurance company separate accounts, and from transactions in security futures products.
- (2) Revenues from commodity transactions.
- (3) Commissions, floor brokerage and clearance paid to other SIPC members in connection with securities transactions.
- (4) Reimbursements for postage in connection with proxy solicitation.
- (5) Net gain from securities in investment accounts.
- (6) 100% of commissions and markups earned from transactions in (i) certificates of deposit and (ii) Treasury bills, bankers acceptances or commercial paper that mature nine months or less from issuance date.
- (7) Direct expenses of printing advertising and legal fees incurred in connection with other revenue related to the securities business (revenue defined by Section 16(9)(L) of the Act).
- (8) Other revenue not related either directly or indirectly to the securities business.
(See Instruction C):

19444839

(Deductions in excess of \$100,000 require documentation)

(9) (i) Total interest and dividend expense (FOCUS Line 22/PART IIA Line 13, Code 4075 plus line 2b(4) above) but not in excess of total interest and dividend income. \$ _____

(ii) 40% of margin interest earned on customers securities accounts (40% of FOCUS line 5, Code 3960). \$ _____

Enter the greater of line (i) or (ii)

Total deductions

19444839

2d. SIPC Net Operating Revenues

\$ 14486178

2e. General Assessment @ .0025

17

\$ 36215

(to page 1, line 2.A.)