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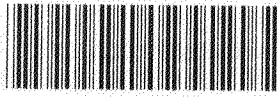
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OMB APPROVAL	
OMB Number:	3235-0123
Expires:	April 30, 2013
Estimated average burden hours per response.....	12.00

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

SEC FILE NUMBER

8- 52824

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 10/01/11 AND ENDING 09/30/12
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: CAPITAL PATH SECURITIES, LLC
ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)
1533 ROCKY POINT ROAD

OFFICIAL USE ONLY

FIRM I.D. NO.

(No. and Street)

MIDDLE ISLAND NY 11953
(City) (State) (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT
WILLIAM DAVIS (631) 849-2667
(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

BRACE & ASSOCIATES, PLLC

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

PMB 335, 123 NASHUA RD, UNIT 17 LONDONDERRY NH 03053
(Address) (City) (State) (Zip Code)

CHECK ONE:

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

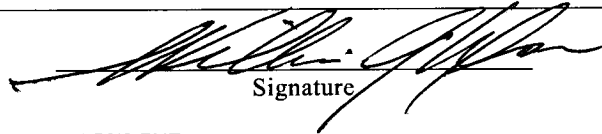
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*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

Out 12/20

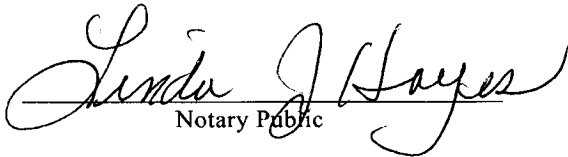
OATH OR AFFIRMATION

I, WILLIAM DAVIS, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of CAPITAL PATH SECURITIES, LLC, as of SEPTEMBER 30, 2012, 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

PRESIDENT

Title


Notary Public

LINDA J. HAYES
Notary Public, State of New York
No. 011469-2622
Qualified in Suffolk County
Commission Expires May 29, 2015

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).

CAPITAL PATH SECURITIES, LLC

FINANCIAL STATEMENTS

SEPTEMBER 30, 2012

BRACE & ASSOCIATES, PLLC

Certified Public Accountant

PMB 335, 123 NASHUA ROAD, UNIT 17

LONDONDERRY, NH 03053

TEL. (603) 889-4243

FAX (603) 882-7371

Independent Auditor's Report

To the Member of
Capital Path Securities, LLC
Rocky Point, NY

I have audited the accompanying statement of financial condition of Capital Path Securities, LLC as of September 30, 2012, and the related statements of income, changes in member's equity, 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 Company's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I 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. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Capital Path Securities, LLC as of September 30, 2012, and the results of their operations and their cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

My audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in Schedules I, II, III, and IV, is presented for purposes of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by rule 17a-5 under the Securities Exchange Act of 1934. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Brace & Associates, PLLC

Brace & Associates, PLLC
Certified Public Accountant
Londonderry, New Hampshire
November 20, 2012

CAPITAL PATH SECURITIES, LLC

STATEMENT OF FINANCIAL CONDITION

SEPTEMBER 30, 2012

ASSETS

Cash and cash equivalents	\$ 18,018
Receivables from broker/dealers	333,196
Receivables from non-customers	3,338
Deposit with clearing organization	25,007
Marketable securities, at fair value	253,263
Office equipment, at cost, less accumulated depreciation of \$8,211	10,034
Prepaid expenses and other assets	<u>7,008</u>
	<u>\$ 649,864</u>

LIABILITIES AND MEMBER'S EQUITY

Accounts payable, accrued expenses, and other liabilities	\$ 12,416
Commissions payable	44,930
Payable to broker/dealer	35,361
Securities sold, not yet purchased	<u>1,940</u>
	94,647
Member's equity	<u>555,217</u>
	<u>\$ 649,864</u>

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

CAPITAL PATH SECURITIES, LLC

STATEMENT OF INCOME

FOR THE YEAR ENDED SEPTEMBER 30, 2012

Revenues:	
Commission income	\$ 219,483
Net dealer trading gains	1,590,202
Investment banking	106,496
Interest and dividend income	193
Other income	<u>3,939</u>
	<u>1,920,313</u>
Expenses:	
Commissions and related expenses	\$ 1,135,798
Clearing and execution charges	154,147
Communications and quotation expense	8,776
Other expenses	<u>312,661</u>
	<u>1,611,382</u>
Net income (loss) before income taxes	308,931
Provision for income taxes	<u>114,317</u>
Net income (loss)	<u>\$ 194,614</u>

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

CAPITAL PATH SECURITIES, LLC
STATEMENT OF CHANGES IN MEMBER'S EQUITY
FOR THE YEAR ENDED SEPTEMBER 30, 2012

Member's equity at beginning of year	\$ 418,730
Member's distributions during the year	(58,127)
Net income (loss)	<u>194,614</u>
Member's equity at end of year	<u>\$ 555,217</u>

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

CAPITAL PATH SECURITIES, LLC

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED SEPTEMBER 30, 2012

Cash flows from operating activities:

Net income (loss) \$ 194,614

Adjustments to reconcile net loss

to net cash used by operating activities:

Depreciation \$ 2,868

(Increase) decrease in operating assets:

Increase in receivable from broker/dealers (78,322)

Increase in receivable from non-customers (3,338)

Increase in marketable securities (119,482)

Increase in prepaid expenses and other assets (2,569)

Increase (decrease) in operating liabilities:

Decrease in securities sold, not yet purchased (330)

Increase in accounts payable, accrued expenses 2,762

Increase in payable to broker/dealer 35,361

Increase in commissions payable 37,171

Total adjustments (125,879)

Net cash provided by operating activities 68,735

Cash flows from investing activities:

Member's distributions (58,127) (58,127)

Net increase in cash 10,608

Cash at beginning of the year 7,410

Cash at end of the year \$ 18,018

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

Cash paid during the year for:

Interest \$ -

Income taxes \$ 109,317

Disclosure of accounting policy:

For purposes of the statement of cash flows, the Company considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

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

CAPITAL PATH SECURITIES, LLC
NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2012

NOTE 1- SIGNIFICANT ACCOUNTING POLICIES

Organization and Nature of Business

The Company was organized on August 7, 2000 as a Connecticut Limited Liability Company to conduct business as a registered broker-dealer under the Securities Act of 1934. Related commission revenue and expenses are recorded on a trade date basis. As a Limited Liability Company the member's liability is limited to their investment.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities as of 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.

Organizational Structure

The Company has been organized as a Limited Liability Company. Under this form of organization, the member is not liable for the debts of the Company.

Fixed Assets

Furniture and equipment are being depreciated using the straight-line method over their estimated useful lives, ranging from five to seven years. For the fiscal year ended September 30, 2012, depreciation expense was \$2,868.

Management's Review for Subsequent Events

Management had evaluated subsequent events through November 20, 2012, the date which the financial statements were available to be issued.

NOTE 2- NET CAPITAL

As a broker dealer, the Company is subject to the Securities and Exchange Commission's regulations and operating guidelines, which require the Company to maintain a specified amount of net capital as defined, and a ratio of aggregate indebtedness to net capital as derived, not exceeding 15 to 1. The Company's net capital as computed under SEC Rule 15c3-1 was \$490,490 at September 30, 2012, which exceeded required net capital of \$100,000 by \$390,490. The ratio of aggregate indebtedness to net capital at September 30, 2011 was 18.9%.

CAPITAL PATH SECURITIES, LLC

NOTES TO FINANCIAL STATEMENTS (Continued)

SEPTEMBER 30, 2012

NOTE 3- INCOME TAXES

The Company is an LLC being taxed as a C Corporation for tax purposes and is subject to federal and state income taxes. There are no federal or state NOL carryovers and the Company does not have any potential tax uncertainties.

Federal tax expense	\$85,321
State tax expense	<u>\$28,996</u>
Total tax expense	\$114,317

NOTE 4- CONCENTRATION OF CREDIT RISK

The Company is engaged in various trading and brokerage activities with counterparties. In the event counterparties do not fulfill their obligations, the Company may be exposed to risk. The risk of default depends on the credit worthiness of the counterparty or issuer of the instrument. It is the Company's policy to review, as necessary, the credit standing of each counterparty with which it conducts business.

NOTE 5- SECURITIES OWNED AND SOLD, NOT YET PURCHASED

Marketable securities owned and sold, not yet purchased, consist of trading and investment securities at market values, as follows:

	<u>Owned</u>	<u>Sold, Not Yet Purchased</u>
Corporate Stocks	<u>\$253,263</u>	<u>\$1,940</u>

CAPITAL PATH SECURITIES, LLC
SUPPLEMENTARY SCHEDULES
FOR THE YEAR ENDED SEPTEMBER 30, 2012

CAPITAL PATH SECURITIES, LLC

SCHEDULE I

**COMPUTATION OF AGGREGATE INDEBTEDNESS AND NET CAPITAL
PURSUANT TO RULE 15c3-1**

SEPTEMBER 30, 2012

Total ownership equity from statement of financial condition	\$	555,217
Total nonallowable assets from statement of financial condition		<u>(27,860)</u>
Net capital before haircuts on securities positions		527,357
Haircuts on securities		<u>(36,867)</u>
Net capital	\$	<u><u>490,490</u></u>
Aggregate indebtedness:		
Total A.I. liabilities from statement of financial condition	\$	<u><u>92,707</u></u>
Total aggregate indebtedness	\$	<u><u>92,707</u></u>
Percentage of aggregate indebtedness to net capital		<u><u>18.9%</u></u>
Computation of basic net capital requirement:		
Minimum net capital required (6-2/3% of A.I.)	\$	<u><u>6,180</u></u>
Minimum dollar net capital requirement of reporting broker or dealer	\$	<u><u>100,000</u></u>
Net capital requirement	\$	<u><u>100,000</u></u>
Excess net capital	\$	<u><u>390,490</u></u>
Excess net capital at 1000%	\$	<u><u>481,219</u></u>

There were no material differences between the audited and unaudited computation of net capital.

SCHEDULE II

CAPITAL PATH SECURITIES, LLC

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

SEPTEMBER 30, 2012

The Company had no items reportable as customers' fully paid securities: (1) not in the Company's possession or control as of the audit date (for which instructions to reduce to possession or control had been issued as of the audit date) but for which the required action was not taken by the Company within the timeframes specified under Rule 15c3-3 or (2) for which instructions to reduce to possession or control had not been issued as of the audit date, excluding items arising from "temporary lags which result from normal business operations" as permitted under Rule 15c3-3.

SCHEDULE III

CAPITAL PATH SECURITIES, LLC

**SCHEDULE OF SEGREGATION REQUIREMENTS AND FUNDS
IN SEGREGATION FOR CUSTOMERS' REGULATED
COMMODITY FUTURES AND OPTION ACCOUNTS**

SEPTEMBER 30, 2012

The Company claims exemption from the segregation requirements of the Commodities Futures Act since it has no commodity customers as the term is defined in Regulation 1.3(k).

SCHEDULE IV

CAPITAL PATH SECURITIES, LLC

**COMPUTATION FOR DETERMINATION OF
RESERVE REQUIREMENTS FOR BROKER/DEALER UNDER
RULE 15c3-3 OF THE SECURITIES EXCHANGE ACT OF 1934**

SEPTEMBER 30, 2012

Capital Path Securities, LLC, is exempt from the reserve requirements of Rule 15c3-3 (k) (2) (ii) as it is an introducing broker or dealer, clears all transactions with and for customers on a fully disclosed basis with a clearing broker or dealer, and it 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 SEC Sec. 240.17a-3 and 240.17a-4 of this chapter, as are customarily made and kept by a clearing broker or dealer, accordingly, the computation for determination of reserve requirements pursuant to Rule 15c3-3 and information relating to the possession or control requirement pursuant to Rule 15c3-3 are not applicable.

BRACE & ASSOCIATES, PLLC

Certified Public Accountant

PMB 335, 123 NASHUA ROAD, UNIT 17

LONDONDERRY, NH 03053

TEL. (603) 889-4243

FAX (603) 882-7371

Independent Auditor's Report on Internal Control Structure Required by SEC Rule 17a-5

Member of
Capital Path Securities, LLC

In planning and performing my audit of the financial statements of Capital Path Securities, LLC (the Company), as of and for the year ended September 30, 2012, in accordance with auditing standards generally accepted in the United States of America, I considered the Company's internal control over financial reporting (internal control) as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, I 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), I 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 I 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, I 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 an 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 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 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, detect and correct 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, 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.

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

I 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 my study, I believe that the Company's practices and procedures, as described in the second paragraph of this report, were adequate at September 30, 2012, to meet the SEC's objectives.

This report is intended solely for the information and use of the member, 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.

Brace & Associates, PLLC

Brace & Associates, PLLC
Certified Public Accountant
Londonderry, New Hampshire
November 20, 2012

BRACE & ASSOCIATES, PLLC

Certified Public Accountant

CAPITAL PATH SECURITIES, LLC

SUPPLEMENTAL SIPC REPORT

SEPTEMBER 30, 2012

BRACE & ASSOCIATES, PLLC

Certified Public Accountant

PMB 335, 123 NASHUA ROAD, UNIT 17

LONDONDERRY, NH 03053

TEL. (603) 889-4243

FAX (603) 882-7371

To the Member of Capital Path Securities, LLC

Rocky Point, NY

In accordance with Rule 17a-5(e)(4) under the Securities Exchange Act of 1934, I have performed the procedures enumerated below with respect to the accompanying Schedule of Assessment and Payments, Assessment Reconciliation (Form SIPC-7) to the Securities Investor Protection Corporation (SIPC) for the Year Ended September 30, 2012, which were agreed to by Capital Path Securities, LLC and the Securities and Exchange Commission, Financial Industry Regulatory Authority, Inc., and SIPC solely to assist you and the other specified parties in evaluating Capital Path Securities, LLC's compliance with the applicable instructions of the Assessment Reconciliation (Form SIPC-7). Capital Path Securities, LLC's management is responsible for the Capital Path Securities, LLC'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, I 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 I performed and my findings are as follows:

1. Compared the listed assessment payments in Form SIPC-7 with respective cash disbursement records, noting no differences;
2. Compared the amounts reported on the audited Form X-17A-5 for the year ended September 30, 2012, with the amounts reported in Form SIPC-7 for the year ended September 30, 2012 noting that for the purposes of the Form SIPC-7 and the filed FOCUS reports, error expense was used to reduce revenues, for the audited financials, that expense was not included with the revenue;
3. Compared any adjustments reported in Form SIPC-7 with supporting schedules and working papers noting no differences;
4. Proved the arithmetical accuracy of the calculations reflected in Form SIPC-7 and in the related schedules and working papers supporting the adjustments noting no differences; and
5. Compared the amount of any overpayment applied to the current assessment with the Form SIPC-7 on which it was originally computed, noting no differences.

I was not engaged to, and did not conduct an examination, the objective of which would be the expression of an opinion on compliance. Accordingly, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my 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.

Brace & Associates, PLLC

November 20, 2012

CAPITAL PATH SECURITIES, LLC
DETERMINATION OF "SIPC NET OPERATING REVENUES"
AND GENERAL ASSESSMENT
FOR THE PERIOD ENDED SEPTEMBER 30, 2012

SCHEDULE OF ASSESSMENT PAYMENTS

General Assessment		\$ 662
Less Payments Made:		
<u>Date Paid</u>	<u>Amount</u>	
<u>PY Overpay</u>	<u>\$1,538</u>	
		<u>(1,538)</u>
Interest on late payment(s)		
Total Assessment Balance or Overpayment		<u>\$(876)</u>
Payment made with Form SIPC 7		<u>\$ 0</u>
Overpayment to be carried forward		<u>\$(876)</u>

See Accountant's Report

CAPITAL PATH SECURITIES, LLC
DETERMINATION OF "SIPC NET OPERATING REVENUES"
AND GENERAL ASSESSMENT
FOR THE PERIOD ENDED SEPTEMBER 30, 2012

Total revenue	<u>\$ 1,900,558</u>
Additions:	
Various (list)	
Total additions	<u>\$ 0</u>
Deductions:	
Revenues from the distribution of shares of a registered open end investment company or unit investment trust, from the sale of variable annuities, 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	0
Revenues from commodity transactions	0
Commissions, floor brokerage and clearance paid to other SIPC members in connection with securities transactions	45,618
Net gain from securities in investment accounts	1,590,201
100% of commissions and markups earned from transactions in certificates of deposit, treasury bills, bankers acceptances or commercial paper that mature nine months or less from issuance date	0
Other	<u>0</u>
Total deductions	<u>\$1,635,819</u>
SIPC NET OPERATING REVENUES	<u>\$ 264,739</u>
GENERAL ASSESSMENT @ .0025	<u>\$ 662</u>

See Accountant's Report