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PART III

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Information Required of Brokers and Dealers Pursuant to Section 17 of the  
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder

REPORT FOR THE PERIOD BEGINNING 07/01/11 AND ENDING 06/30/12  
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: COLONNADE SECURITIES LLC

OFFICIAL USE ONLY

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

FIRM I.D. NO.

125 S. Wacker Drive Suite 3020

(No. and Street)

Chicago

Illinois

60606

(City)

(State)

(Zip Code)

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

Stuart Miller

312-425-8145

(Area Code- Telephone Number)

B. ACCOUNTANT IDENTIFICATION

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

Trimarco, Radencich, Schwartz & Mrazek, LLC

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

1775 Legacy Circle

Naperville

Illinois

60563

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

- Certified Public Accountant-PCAOB Registered
- 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)

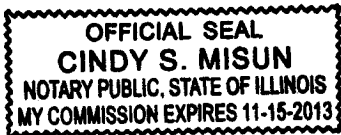
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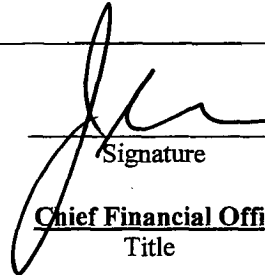
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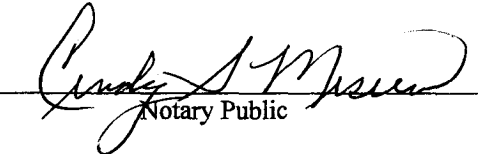
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OATH OR AFFIRMATION

I, John Stuart Miller, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Colonnade. Securities LLC, as of June 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  
Chief Financial Officer  
Title

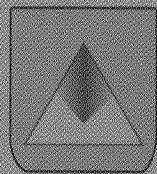
  
Notary Public

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

- (a) Facing Page
- (b) Statement of Financial Condition.
- (c) Statement of Income (Loss).
- (d) Statement of Cash Flows
- (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.
- (o) Independent Auditors Report on Internal Control Structure.

\*\*For conditions of confidential treatment of certain portions or this filing, see section 240. 17a-5(e)(3).

COLONNADE SECURITIES LLC  
STATEMENT OF FINANCIAL CONDITION  
YEAR ENDED JUNE 30, 2012



Trimarco  
Radencich  
Schwartz &  
Mrazek, LLC Certified Public Accountants

**COLONNADE SECURITIES LLC**  
**STATEMENT OF FINANCIAL CONDITION**  
**YEAR ENDED JUNE 30, 2012**

**COLONNADE SECURITIES LLC  
STATEMENT OF FINANCIAL CONDITION  
YEAR ENDED JUNE 30, 2012**

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To the Member of  
Colonnade Securities LLC  
Chicago, Illinois

### INDEPENDENT AUDITORS' REPORT

We have audited the accompanying statement of financial condition of Colonnade Securities LLC as of June 30, 2012. This financial statement is the responsibility of the Company's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with the 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 statement of financial condition is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement of financial condition. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall statement of financial condition presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the statement of financial condition referred to above present fairly, in all material respects, the financial position of Colonnade Securities LLC as of June 30, 2012, in conformity with accounting principles generally accepted in the United States of America.

Trimarco, Radencich, Schwartz & Mrazek, LLC

July 27, 2012  
Naperville, Illinois

**COLONNADE SECURITIES LLC  
STATEMENT OF FINANCIAL CONDITION  
JUNE 30, 2012**

**ASSETS**

Cash	\$ <u>49.879</u>
Total assets	\$ <u>49.879</u>

**MEMBER'S EQUITY**

Total member's equity	\$ <u>49.879</u>
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See notes to statement of financial condition

# COLONNADE SECURITIES LLC

## NOTES TO STATEMENT OF FINANCIAL CONDITION

YEAR ENDED JUNE 30, 2012

### NOTE 1. SIGNIFICANT ACCOUNTING POLICIES

#### **Nature of Business**

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). The Company is a Delaware limited liability company organized in August 2002 and is a wholly owned subsidiary of Colonnade Advisors LLC. The Company provides merger and acquisition advisory services, private placements of securities and fairness opinions for companies throughout the United States.

#### **Estimates**

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

#### **Revenue Recognition**

Advisory fees are recognized when earned.

#### **Cash Equivalents**

For purposes of the statement of cash flows, the Company considers all short-term debt securities with an original maturity of six months or less to be cash equivalents.

#### **Accounts Receivable**

The Company grants credit to its customers and generally requires no collateral. Accounts receivable are reported at their outstanding balances reduced by the allowance for doubtful accounts, if any.

The allowance for doubtful accounts is increased by charges to income and decreased by chargeoffs (net of recoveries). Management's periodic evaluation of the adequacy of the allowance is based on the Company's past collection experience, known and inherent risks of the customer comprising the Company's accounts receivable balance, adverse situations that may affect the customer's ability to pay, and the current economic conditions. Accounts receivable are charged off when management deems the accounts receivable balance to be uncollectible.

Based on review of the accounts receivable, management determined that an allowance for doubtful accounts was not necessary at June 30, 2012.

#### **Income Taxes**

The Company is a single member limited liability company, and, therefore, the Company income is taxable to the member. Accordingly, no provision has been made for income taxes.



**COLONNADE SECURITIES LLC  
NOTES TO STATEMENT OF FINANCIAL CONDITION  
YEAR ENDED JUNE 30, 2012**

**NOTE 2. NET CAPITAL REQUIREMENTS**

The Company is subject to the Securities and Exchange Commission's Uniform Net Capital Rule (Rule 15c3-1). Under this rule, the Company is required to maintain "minimum net capital" equivalent to \$5,000 or 6 2/3% of "aggregate indebtedness", whichever is greater, as these terms are defined. At June 30, 2012, the Company had net capital of \$49,879 which was \$44,879 in excess of its required net capital of \$5,000. The Company's net capital ratio was 0.000 to 1.0.

**NOTE 3. RELATED PARTY TRANSACTIONS**

The Company has an expense sharing agreement with its member. During the year ended June 30, 2012, the member provided office space and various administrative and operating services to the Company for which they were paid \$40,308.

**NOTE 4. CONCENTRATIONS OF CREDIT RISK**

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of bank balances in excess of Federal Deposit Insurance Corporation limits and accounts receivable.

The Company occasionally maintains bank balances in excess of federally insured limits. The Company has not experienced any losses on such accounts.

**NOTE 5. CONCENTRATIONS**

In the year ended June 30, 2012, the Company had 3 clients that accounted for approximately 74% of revenues at June 30, 2012. The Company had no accounts receivable.

**NOTE 6. MEMBER'S LIABILITY, INTERESTS, RIGHTS, PREFERENCES AND PRIVILEGES**

The Company is a Delaware limited liability company established August 2002, with a term that is perpetual. The Company's operating agreement specifies the following information relating to its members:

- Member's liability limitation
- Rights and obligations of members
- Member's contributions to the company and capital accounts
- Allocations, income tax, distributions, elections and reports of members
- Transferability and redemption of member's interests
- Additional members

**COLONNADE SECURITIES LLC  
NOTES TO THE STATEMENT OF FINANCIAL CONDITION  
YEAR ENDED JUNE 30, 2012**

**NOTE 7. FAIR VALUE OF FINANCIAL INSTRUMENTS**

The carrying amounts reflected in the balance sheet for cash and equivalents approximate their respective fair value based on the short term nature of these instruments.

**NOTE 8. SUBSEQUENT EVENTS**

Management has evaluated subsequent events through July 27, 2012, the date the statements were available to be issued.

**NOTE 9. ACCOUNTING FOR UNCERTAIN TAX POSITIONS**

The Company files income tax returns in the US Federal jurisdiction and various state and local jurisdictions. The Company is no longer subject to US Federal, state and local income tax examinations by tax authorities for the years prior to 2008.

The Company follows the provisions of uncertain tax positions as addressed in FASB Accounting Standards Codification 740-10-65-1. The Company has not recognized any liability for unrecognized tax benefits. The Company has no tax position at June 30, 2012 for which the ultimate deductibility is highly certain but for which there is uncertainty about the timing of such deductibility. The Company recognizes interest accrued related to unrecognized tax benefits in interest expense and penalties in operating expenses. No such interest or penalties were recognized during the periods presented. The Company had no accruals for interest and penalties at June 30, 2012.