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

SEC FILE NUMBER
8-41597

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

### A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Hovde Securities LLC  
ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)  
1629 Colonial Parkway

OFFICIAL USE ONLY
FIRM I.D. NO.

	(No. and Street)		
<u>Inverness</u>	<u>IL</u>	<u>60067</u>	
(City)	(State)	(Zip Code)	

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT  
Steven D. Hovde (847) 991-6622  
(Area Code - Telephone Number)

### B. ACCOUNTANT IDENTIFICATION

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

FGMK, LLC

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

<u>2801 Lakeside Dr., 3rd Floor</u>	<u>Bannockburn</u>	<u>IL</u>	<u>60015</u>
(Address)	(City)	(State)	(Zip Code)

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

SECURITIES AND EXCHANGE COMMISSION RECEIVED FEB 13 2013 REGISTRATIONS BRANCH 16
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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)

### Filed Pursuant to Rule 17a-5(e)(3) of the Securities Exchange Act

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.

SEC 1410 (06-02)

\*\*\* PUBLIC DOCUMENT \*\*\*

2/13/13

OATH OR AFFIRMATION

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

[Handwritten Signature]
Signature

President

Title

[Handwritten Signature]
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.
(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).

Filed Pursuant to Rule 17a-5(e)(3) of the Securities Exchange Act

\*\*\* PUBLIC DOCUMENT \*\*\*

## INDEPENDENT AUDITOR'S REPORT

To the Members  
Hovde Securities LLC

### Report on the Financial Statement

We have audited the accompanying statement of financial condition of Hovde Securities LLC (the "Company") as of December 31, 2012 that are filed pursuant to Rule 17a-5 under the Securities Exchange Act of 1934, and the related notes to the statement of financial condition.

### Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of a financial statement that is free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on this financial statement 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 statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position of Hovde Securities LLC as of December 31, 2012 in accordance with accounting principles generally accepted in the United States of America.

*FGMK, LLC*

Bannockburn, Illinois  
January 18, 2013

2801 Lakeside Drive  
3rd Floor  
Bannockburn, IL 60015

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847 374 0420 f

[www.fgmk.net](http://www.fgmk.net)

**HOVDE SECURITIES LLC**  
**STATEMENT OF FINANCIAL CONDITION**  
**DECEMBER 31, 2012**

**ASSETS**

**CURRENT ASSETS**

Cash and cash equivalents	\$ 1,802,624
Cash-restricted	5,251
Receivables from clients	554,430
Other current assets	59
Prepaid expenses	<u>91,388</u>
	<u><u>\$ 2,453,752</u></u>

**LIABILITIES AND MEMBERS' EQUITY**

**LIABILITIES**

Accounts payable and accrued expenses	\$ 40,309
Due to related party	<u>375,099</u>
	<u>415,408</u>

**MEMBERS' EQUITY**

Member's equity	2,138,175
Subscription receivable	<u>( 99,831)</u>
	<u>2,038,344</u>
	<u><u>\$ 2,453,752</u></u>

The accompanying notes are an integral part of this statement.

**FGMK**

***Hovde Securities LLC***

Statement of Financial Condition and  
Independent Auditor's Report

December 31, 2012

Separately  
Bound  
STATEMENT of  
Financial Condition

# *Hovde Securities LLC*

## Statement of Financial Condition and Independent Auditor's Report

December 31, 2012

**Filed Pursuant to Rule 17a-5(e)(3) of the Securities Exchange Act  
\*\*\* PUBLIC DOCUMENT \*\*\***

*FGMK, LLC*

501 Lakeside Drive - 3rd Floor

Chicago, Illinois 60605

312.527.2200

www.fgmk.com