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

SEC
Section
400

FEB 27 2013

Washington DC

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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 01/01/12 AND ENDING 12/31/2012
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: **Victory Park Securities, LLC**

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

227 W. Monroe Street, Suite 3900

OFFICIAL USE ONLY
FIRM I.D. NO.

(No. and Street)
Chicago **Illinois** **60606**
(City) (State) (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT
Brendan Carroll **(312) 701-0785**
(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

McGladrey LLP

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

One South Wacker Drive, Suite 800 **Chicago** **Illinois** **60606**
(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)

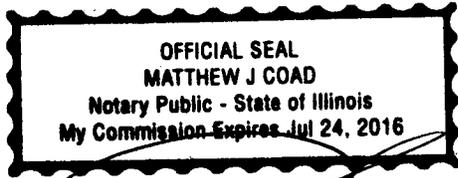
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3/4/13

OATH OR AFFIRMATION

I, Brendan Carroll, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Victory Park 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:



[Signature]
Notary Public

Brendan Carroll
Signature
President
Title

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.
- (o) Independent auditor's report on internal control

**For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

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Victory Park Securities, LLC

Statement of Financial Condition Report
December 31, 2012

Filed as PUBLIC information pursuant to Rule 17a-5(d)
under the Securities and Exchange Act of 1934.

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Independent Auditor's Report

To the Managing Member
Victory Park Securities, LLC
Chicago, Illinois

Report on the Statement of Financial Condition

We have audited the accompanying statement of financial condition of Victory Park Securities, LLC (the Company) as of December 31, 2012, that is 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 Statement of Financial Condition

Management is responsible for the preparation and fair presentation of the statement of financial condition 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 the statement of financial condition that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the statement of financial condition 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 statement of financial condition is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the statement of financial condition. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the statement of financial condition, 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 statement of financial condition 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 statement of financial condition.

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

McGladrey LLP

Chicago, Illinois
February 13, 2013

Victory Park Securities, LLC

**Statement of Financial Condition
December 31, 2012**

Assets	
Cash	\$ 965,450
Accounts receivable	68,860
Prepaid assets	20,207
Equipment, net of accumulated depreciation of \$2,172	<u>2,663</u>
Total assets	<u>\$ 1,057,180</u>
Liabilities and Members' Capital	
Accounts payable and accrued expenses	\$ 882,213
Members' capital	<u>174,967</u>
Total liabilities and members' capital	<u>\$ 1,057,180</u>

See Notes to Statement of Financial Condition.

Victory Park Securities, LLC

Notes to Statement of Financial Condition

Note 1. Nature of Business and Significant Accounting Policies

Victory Park Securities, LLC (the Company) is a Delaware limited liability company with the purpose of conducting business as a broker-dealer. The Company's primary business is investment banking services including providing financial advisory services to institutional investors, corporations, and individuals. These financial advisory services include capital sourcing, mergers and acquisitions, and strategic business advisory services. The Company is registered with the Securities and Exchange Commission (SEC) and is a member of the Financial Industry Regulatory Authority (FINRA).

The Company operates under the provisions of Paragraph (k)(2)(i) of Rule 15c3-3 of the SEC and, accordingly, is exempt from the remaining provisions of that rule. Essentially, the requirements of Paragraph (k)(2)(i) provide that the Company carries no margin accounts, promptly transmits all customer funds and delivers all securities received in connection with its activities as a broker or dealer, does not otherwise hold funds or securities for or owe money or securities to customers, and effectuates all financial transactions between the Company and its customers through one or more bank accounts, each designated as Special Account for the Exclusive Benefit of Customers. Because the Company effects no financial transactions with customers as defined in Rule 15c3-3(a)(1), the Company does not maintain a Special Account.

The following is a summary of the Company's significant accounting policies:

The Company follows Generally Accepted Accounting Principles (GAAP), as established by the Financial Accounting Standards Board (the FASB), to ensure consistent reporting of financial condition, results of operations, and cash flows.

Accounting estimates: The preparation of financial statements in conformity with generally accepted accounting principles 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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

Revenue recognition: Investment banking revenue includes both success fees and advisory fees earned from providing financial advisory services. Success fee revenue is recognized at the time the transaction is completed and the income is reasonably determinable, as defined under the terms of each engagement. Advisory fees are recognized as the services are performed. Uncollectible amounts are written off at the time the individual receivable is determined to be uncollectible. Allowances for doubtful accounts are based primarily on the specific facts and circumstances of each receivable. As of December 31, 2012, no allowance has been recorded.

Equipment: Equipment is recorded at cost and depreciated on a straight-line basis over the estimated useful lives of the assets.

Income taxes: The Company is taxed as a partnership under the provisions of the Internal Revenue Code and, accordingly, is not subject to federal income taxes. Instead, members are liable for federal and state income taxes on their respective share of the taxable income of the Company. Accordingly, no provision or benefit for federal income taxes has been made as the Company's taxable income or loss is included in the tax return of the Members.

FASB guidance requires the evaluation of tax positions taken or expected to be taken in the course of preparing the Company's tax returns to determine whether the tax positions are "more-likely-than-not" of being sustained "when challenged" or "when examined" by the applicable tax authority. Tax positions not deemed to meet the more-likely-than-not threshold would be recorded as a tax benefit or expense and

Victory Park Securities, LLC

Notes to Statement of Financial Condition

Note 1. Nature of Business and Significant Accounting Policies (Continued)

liability in the current year. For the year ended December 31, 2012, management has determined that there are no material uncertain income tax positions. The Company files income tax returns in U.S. federal jurisdiction, and various states. The Company is generally not subject to examination by U.S. federal and state tax authorities for tax years before 2010.

Subsequent events: The Company has evaluated subsequent events for potential recognition and/or disclosure through the date these financial statements were issued, noting none.

Note 2. Net Capital Requirements

The Company is a broker-dealer subject to the SEC Uniform Net Capital Rule (Rule 15c3-1), which requires the Company to maintain minimum "net capital" equal to the greater of \$5,000 or 6-2/3 percent of "aggregate indebtedness," as defined, and the ratio of aggregate indebtedness to net capital shall not exceed 15 to 1. Rule 15c3-1 also provides that equity capital may not be withdrawn if the resulting net capital ratio would exceed 10 to 1. Net capital changes from day to day, but at December 31, 2012, the Company had net capital of \$83,237, which was \$24,423 above its required net capital of \$58,814. At December 31, 2012, the Company's net capital ratio was 10.6 to 1. The net capital rule may effectively restrict distributions to the members.

Note 3. Customer Concentration and Related-Party Transactions

For the year ended December 31, 2012, the Company had three major customers which represent 64 percent of total revenue. A customer is considered major when the customer represents more than 10 percent of total revenue for the year ended December 31, 2012.

The Company has an expense funding agreement with Victory Park Capital Advisors, LLC (VP Capital), whereby VP Capital agrees to pay overhead expenses of the Company. Expenses allocated to the Company are reflected as an expense sharing charge on the accompanying statement of operations and include technology, communication, support services and occupancy. Reimbursement for services occurs monthly.

The Company entered into a revenue and expense sharing agreement with a group of employees for the period from May 1, 2012 through December 31, 2012. Pursuant to this agreement, the Company receives 10 percent of the revenue generated by this group of employees and this group of employees agrees to fund its share of operating expenses either through deposits paid to the Company or revenue generated. Any remaining revenue will be owed to the employees as bonus compensation. As of December 31, 2012, bonuses payable under this agreement are \$758,665 and are included in accounts payable and accrued expenses in the statement of financial condition. At the inception of this agreement, the Company received a deposit of \$250,000 to fund the initial operating expenses, which was fully utilized during the year. All subsequent expenses are netted against the bonus compensation accrual.

Note 4. Concentration of Credit Risk

The Company's financial instruments that are exposed to concentrations of credit risk include cash. The Company maintains its cash account with a financial institution. The total cash balance of the Company is insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per depositor, per bank. The Company monitors such credit risk and has not experienced any losses related to such risks.

Victory Park Securities, LLC

Notes to Statement of Financial Condition

Note 5. Members' Capital and Equity Compensation

Members' capital consists of two classes of units that represent membership interests, Class A and B. The Class B units were granted in 2011 with an average vesting period of 2 years and a grant date fair value of \$43,500. As of December 31, 2012, all outstanding Class B units were fully vested. The fair value estimation was derived by multiplying a key performance metric of the Company by the relevant valuation multiple observed for comparable transactions. The Company applied an option pricing model with volatility of 47 percent and a time horizon of 5 years.

The Class B units are intended to constitute "profit interests" within the meaning of Internal Revenue Service Revenue Procedures 93-27 and 2001-43. Upon vesting, the Class B units entitle the holders to pro rata participation in future profits of the Company. The following table presents Class B unit activity during the year:

	Non-Vested Class B Units
Outstanding, December 31, 2011	40
Granted	-
Vested	(40)
Forfeited	-
Outstanding, December 31, 2012	<u>-</u>

As of December 31, 2012, there are 168 outstanding Class A units and 152 outstanding and vested Class B units. As of December 31, 2012, Class A members' total capital balance is \$174,967 and Class B members' total capital balance is zero.

Class A members have the right and full authority to manage, control, administer and operate the business and affairs of the Company. Class B members have the right to vote on matters as specifically noted in the operating agreement.

Note 6. Indemnifications

In the normal course of business, the Company enters into contracts that contain a variety of representations and warranties that provide indemnifications under certain circumstances. The Company's maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Company that have not yet occurred. The Company expects the risk of loss to be remote.