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

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

\*AP 3/11

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

SEC  
Mail Processing  
Section

MAR 1 - 2013

Washington DC  
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SEC FILE NUMBER  
8- 68621

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: BlackArch Securities LLC

OFFICIAL USE ONLY  
FIRM I.D. NO.

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

227 West Trade Street, Suite 2200

(No. and Street)

Charlotte

(City)

North Carolina

(State)

28202

(Zip Code)

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

Jane Caldwell, CPA, CFO

704-414-6310

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

Cherry Bekaert LLP

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

1111 Metropolitan Ave., Suite 1000 Charlotte

(Address)

North Carolina

(City)

28204

(State)

28204

(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)

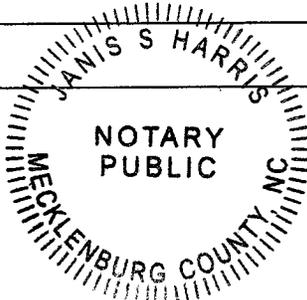
SEC 1410 (06-02)

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OATH OR AFFIRMATION

I, Jane Caldwell, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of BlackArch 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:



Jane Caldwell  
Signature  
Chief Financial Officer  
Title

Janis S. Harris  
Notary Public  
My Commission Expires 7-7-2014

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~~ 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.

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

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# **BLACKARCH SECURITIES LLC**

## **STATEMENT OF FINANCIAL CONDITION**

*As of December 31, 2012*

*And Report of Independent Auditors*

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MAR 1 - 2013  
Washington DC  
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**BLACKARCH SECURITIES LLC**

**STATEMENT OF FINANCIAL CONDITION**

*As of December 31, 2012*

*And Report of Independent Auditors*

**BLACKARCH SECURITIES LLC**

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## **Report of Independent Auditors**

The Member  
BlackArch Securities LLC  
Charlotte, North Carolina

### **Report on the Financial Statement**

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

### **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 the 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 of 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 BlackArch Securities LLC as of December 31, 2012, in accordance with accounting principles generally accepted in the United States of America.



Charlotte, North Carolina  
February 14, 2013

**BLACKARCH SECURITIES LLC**  
**STATEMENT OF FINANCIAL CONDITION**

*DECEMBER 31, 2012*

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**ASSETS**

Cash and cash equivalents	\$ 712,679
<b>Total assets</b>	<b>\$ 712,679</b>

**LIABILITIES AND MEMBER'S INTEREST**

**Liabilities**

Accounts payable	\$ 3,288
Accrued expenses	51,954
<b>Total liabilities</b>	<b>55,242</b>

**Member's Interest**

Member's interest	506,600
Retained earnings	150,837
<b>Total member's interest</b>	<b>657,437</b>

<b>Total liabilities and member's interest</b>	<b>\$ 712,679</b>
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**BLACKARCH SECURITIES LLC**  
**NOTES TO THE FINANCIAL STATEMENT**

DECEMBER 31, 2012

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**Note 1—Organization and nature of operations**

BlackArch Securities LLC (the "Company"), which is wholly-owned by BlackArch Partners LLC (the "Parent Company"), is a full-service investment banking firm primarily providing mergers and acquisition advisory and private capital solutions to middle market companies. The Company has elected to be registered as a broker-dealer and thus is subject to various rules and regulations promulgated by the Securities and Exchange Commission ("SEC"). Accordingly, the accompanying financial statement has been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") as applicable to brokers and dealers in securities.

**Note 2—Summary of significant accounting policies**

*Use of estimates* – The preparation of the financial statement in conformity with GAAP 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 statement and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

*Cash and cash equivalents* – The Company considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash and cash equivalents.

*Income taxes* – As a single-member limited liability company, the Company is treated as a "disregarded entity" for income tax purposes. Accordingly, no provision for income taxes is reflected on the accompanying financial statements.

Management has evaluated the tax positions of the Company and it is the opinion of management that there are no significant uncertain tax positions that would be material to this financial statement.

*Concentrations of credit risk* – The Company places its cash and cash equivalents on deposit with financial institutions in the United States of America. The Federal Deposit Insurance Corporation ("FDIC") covers \$250,000 for substantially all depository accounts. In addition, the FDIC provided unlimited coverage for certain qualifying and participating non-interest bearing transaction accounts through December 31, 2012; however, effective January 1, 2013 the FDIC discontinued the additional unlimited coverage. The Company, from time to time, may have amounts on deposit in excess of the insured limits.

**Note 3—Capital requirements**

The Company is subject to the SEC's Uniform Net Capital Rule 15c3-1, which requires the maintenance of minimum net capital of \$5,000 and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1. Rule 15c3-1 further requires that equity capital may not be withdrawn or cash dividends paid if the resulting net capital ratio would exceed 10 to 1. The net capital and net capital ratio, which agree with our Focus Report as of December 31, 2012 were as follows:

Net capital	\$657,437
Net capital ratio (ratio of indebtedness to capital)	.0840 to 1

**BLACKARCH SECURITIES LLC**  
**NOTES TO THE FINANCIAL STATEMENT**

*DECEMBER 31, 2012*

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**Note 4—Indemnification agreements**

The Company enters into contracts that contain a variety of indemnifications. The Company's maximum exposure under these agreements is unknown. However, the Company has not had prior claims or losses pursuant to these contracts and expects the risk of loss to be remote.

**Note 5—Part I, Form X-17a-5**

The most recent annual report of the Company is available for examination and copying at the office of the Company and at the Atlanta Regional Office of the Securities and Exchange Commission.