



13014013

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20540

\* 3/9 CW

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**  
**FACING PAGE**

SEC  
Mail Processing  
Section  
MAR - 1 2013  
Washington DC  
402

SEC FILE NUMBER
8-68672

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:

TCG Securities, L.L.C.

OFFICIAL USE ONLY
FIRM ID. NO.

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

1001 Pennsylvania Avenue, NW, Suite 220 South  
(No. and Street)

Washington DC 20004-2505  
(City) (State) (Zip Code)

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

Rafael Beck (212) 509-7800  
(Area Code - Telephone No.)

**B. ACCOUNTANT IDENTIFICATION**

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

Ernst & Young LLP  
(Name - if individual, state last, first, middle name)

8484 Westpark Drive McLean Virginia 22102  
(Address) (City) (State) (Zip Code)

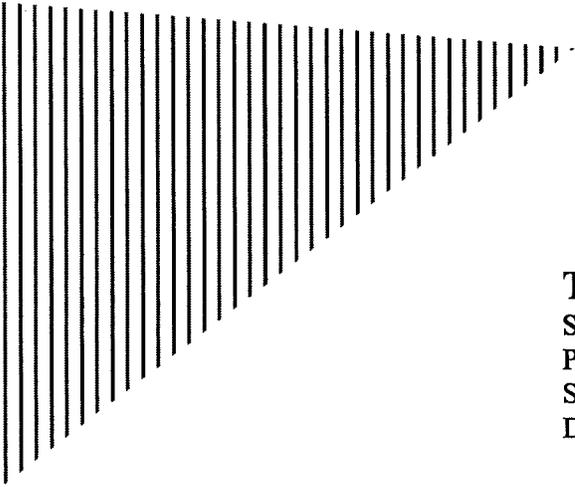
CHECK ONE:

- 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). SEC 1410 (3-91)

Handwritten initials/signature



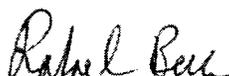
**TCG Securities, L.L.C.**  
Statement of Financial Condition  
Pursuant to Rule 17a-5 under the  
Securities Exchange Act of 1934  
December 31, 2012

Ernst & Young LLP



**AFFIRMATION**

**I, Rafael Beck, affirm that, to the best of my knowledge and belief, the accompanying financial statements and supplemental schedules pertaining to TCG Securities, L.L.C. for the year ended December 31, 2012, are true and correct. I further affirm that neither the Company nor any officer or director has any proprietary interest in any account classified solely as that of a customer.**

  
\_\_\_\_\_

**Signature**

**Financial and Operations Principal**  
\_\_\_\_\_

**Title**

**ADINA DAVYDOV  
Notary Public, State of New York  
No. 01DA6212094  
Qualified in Queens County  
Commission Expires October 5, 2013**

  
\_\_\_\_\_

**Notary Public**

# TCG Securities, L.L.C.

## TABLE OF CONTENTS

---

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

- Report of Independent Registered Public Accounting Firm.
- Facing Page.
- Statement of Financial Condition.
- Statement of Operations.
- Statement of Changes in Members' Equity.
- Statement of Cash Flows.
- Statement of Changes in Liabilities Subordinated to Claims of General Creditors (not applicable).
  
- Computation of Net Capital for Brokers and Dealers Pursuant to Rule 15c3-1 under the Securities Exchange Act of 1934.
- Computation for Determination of Reserve Requirements for Brokers and Dealers Pursuant to Rule 15c3-3 under the Securities Exchange Act of 1934.
- Information Relating to the Possession or Control Requirements for Brokers and Dealers Pursuant to Rule 15c3-3 under the Securities Exchange Act of 1934 (not applicable).
- A Reconciliation, including appropriate explanations, of the Computation of Net Capital Pursuant to Rule 15c3-1 (included with item (g)) and the Computation for Determination of Reserve Requirements Under Rule 15c3-3 (included in item (g)).
- A Reconciliation Between the Audited and Unaudited Statements of Financial Condition With Respect to Methods of Consolidation (not applicable).
- An Affirmation.
- A copy of the SIPC Supplemental Report.
- A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit (Supplemental Report on Internal Control).
- Independent Auditors' Report on Internal Control Required by SEC Rule 17a-5(g)(1).

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

# TCG Securities, L.L.C.

## Table of contents December 31, 2012

---

	Page(s)
<b>Report of Independent Registered Public Accounting Firm.....</b>	<b>1</b>
<b>Financial Statements</b>	
Statement of Financial Condition .....	2
Notes to Statement of Financial Condition .....	3-5

## Report of Independent Registered Public Accounting Firm

The Members of  
TCG Securities, L.L.C.

We have audited the accompanying statement of financial condition of TCG Securities, L.L.C. (the Company) as of December 31, 2012, and the related notes to the statement of financial condition.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the statement of financial condition in conformity with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of a 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. 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 financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, 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 TCG Securities, L.L.C. at December 31, 2012, in conformity with U.S. generally accepted accounting principles.

*Ernst & Young LLP*

February 27, 2013

# TCG Securities, L.L.C.

## Statement of Financial Condition December 31, 2012

---

<b>Assets</b>	
Cash and cash equivalents	\$ 1,922,681
Fees receivable	997,060
Prepaid expense	62,502
Other asset	<u>24,067</u>
Total assets	<u>\$ 3,006,310</u>
 <b>Liabilities and Members' Equity</b>	
Liabilities	
Income taxes payable	\$ 73,972
Accrued expense	<u>3,206</u>
Total liabilities	77,178
 Members' equity	 <u>2,929,132</u>
Total liabilities and members' equity	<u>\$ 3,006,310</u>

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

# TCG Securities, L.L.C.

## Notes to Financial Statements December 31, 2012

---

### 1. Organization and Business

TCG Securities, L.L.C. (the “Company”), a majority-owned subsidiary of Carlyle Investment Management, L.L.C. (the “Parent”), is a limited liability company and was formed under the laws of the State of Delaware. The Company is a broker-dealer registered with the Securities and Exchange Commission (the “SEC”) and a member of the Financial Industry Regulatory Authority (“FINRA”).

The Company acts as a private placement agent with respect to the offer and sale of interests in affiliated funds.

The liability of the Members is limited to the capital held by the Company.

### 2. Summary of Significant Accounting Policies

#### Basis of Presentation

These financial statements were prepared in conformity with accounting principles generally accepted in the United States of America (“U.S. GAAP”) which 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 amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

#### Cash Equivalents

The Company considers investments in money market mutual funds to be cash equivalents.

#### Other Asset

A deposit with Central Registration Depository (“CRD”) is included in Other Asset on the statement of financial condition. FINRA operates the CRD and uses the funds deposited in order to process registrations and other regulatory assessments of the Company.

#### Income Taxes

The Company is a limited liability company, and is treated as a partnership for federal income tax reporting purposes. The Internal Revenue Code (“IRC”) provides that any income or loss is passed through to the members for federal, state and certain local income taxes. Accordingly, the Company has not provided for federal and state income taxes. The Company is subject to the New York City Unincorporated Business Tax.

At December 31, 2012, management has determined that the Company had no uncertain tax positions that would require financial statement recognition. This determination will always be subject to ongoing reevaluation as facts and circumstances may require. The Company remains subject to income tax audits for all periods subsequent to 2008.

# TCG Securities, L.L.C.

## Notes to Financial Statements December 31, 2012

---

### 3. Fair Value Measurements

At December 31, 2012, the carrying amount of the Company's investment in a money market mutual fund approximates fair value.

### 4. Transactions with Related Parties

The Company maintains an administrative services agreement with the Parent. Pursuant to the agreement, the Parent provides accounting, administration, information technology, compliance services, office space, employee services and other services. The Parent provides these services at no cost to the Company. Management has determined that the value of services provided to the Company for the year ended December 31, 2012 was approximately \$33.6 million.

The Company provided placement services to affiliates. Pursuant to the terms of Placement Agent Agreements, the Company receives fees for the services it provides to the affiliates. Approximately 100% of the Company's total revenues during the year ended December 31, 2012 comes from these fees. Below is a summary of the fees earned and future fees remaining to be recognized:

Year ended December 31,	Total fees per agreements	Fees recognized during the period	Cumulative fees remaining to be recognized <sup>(1)</sup>
2011	\$ 396,584	\$ 132,195	\$ 264,389
2012	4,750,110	1,989,278	3,025,221
Total	\$ 5,146,694	\$ 2,121,473	

<sup>(1)</sup>Fees remaining to be recognized are subject to reduction based on future redemption of offered interests.

All transactions with related parties are settled in the normal course of business. The terms of any of these arrangements may not be the same as those that would otherwise exist or result from agreements and transactions among unrelated parties.

### 5. Regulatory Requirements

The Company is subject to SEC Uniform Net Capital Rule 15c3-1 under the Securities Exchange Act of 1934, which requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1. At December 31, 2012, the Company had net capital of \$1,863,197 which exceeded the required net capital by \$1,858,052.

The Company is exempt from the provisions of Rule 15c3-3 under the Securities Exchange Act of 1934 as the Company does not hold customers' cash or securities.

# **TCG Securities, L.L.C.**

## **Notes to Financial Statements December 31, 2012**

---

### **6. Concentration**

All cash deposits are held by one financial institution and cash equivalents are held by a broker-dealer who is an affiliate of the custodian bank and therefore are subject to the credit risk at that financial institution. The Company has not experienced any losses in such accounts and does not believe there to be any significant credit risk with respect to these deposits.

Fees receivable from two affiliates amount to \$872,061 or approximately 87% of the total fees receivable on the statement of financial condition as of December 31, 2012.

Ernst & Young LLP

Assurance | Tax | Transactions | Advisory

**About Ernst & Young**

Ernst & Young is a global leader in assurance, tax, transaction and advisory services.

Worldwide, our 167,000 people are united by our shared values and an unwavering commitment to quality. We make a difference by helping our people, our clients and our wider communities achieve their potential.

For more information, please visit [www.ey.com](http://www.ey.com)

Ernst & Young refers to the global organization of member firms of Ernst & Young Global Limited, each of which is a separate legal entity.

Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. This Report has been prepared by Ernst & Young LLP, a client serving member firm located in the United States.

