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

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

SEC FILE NUMBER
8-68388

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

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: Concorde Investment Services, LLC

OFFICIAL USE ONLY
FIRM I.D. NO.

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

1120 East Long Lake Road, Suite 100  
(No. and Street)  
Troy Michigan 48085  
(City) (State) (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT  
Kimberly Ryan (248) 824-6710  
(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

Carnaghi & Schwark, PLLC  
(Name - if individual, state last, first, middle name)  
30435 Groesbeck Highway Roseville Michigan 48066  
(Address) (City) (State) (Zip Code)

CHECK ONE:

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

SEC  
Mail Processing  
Section

MAR 01 2013

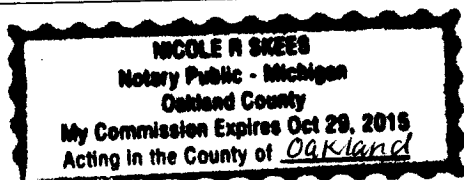
FOR OFFICIAL USE ONLY
Washington DC 405

\*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)

OATH OR AFFIRMATION

I, Kimberly Ryan, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Concorde Investment Services, 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:

None



Kimberly Ryan  
Signature

Chief Financial Officer  
Title

Nicole R. Skees  
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.
- (o) Independent Auditor's Report on Internal Accounting Control.

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

**CONCORDE INVESTMENT SERVICES, LLC**

**FINANCIAL STATEMENTS**

**and**

**SUPPORTING SCHEDULES PURSUANT TO RULE 17a-5**

**OF THE SECURITIES AND EXCHANGE COMMISSION**

**FOR THE YEAR ENDED DECEMBER 31, 2012**

**with**

**REPORT OF CERTIFIED PUBLIC ACCOUNTANTS**

**CARNAGHI & SCHWARK, PLLC**

**CERTIFIED PUBLIC ACCOUNTANTS**

**UPTON PROFESSIONAL BUILDING**

**30435 GROESBECK HWY.**

**ROSEVILLE, MICHIGAN 48066**

**CONCORDE INVESTMENT SERVICES, LLC**

**FINANCIAL STATEMENTS**

**and**

**SUPPORTING SCHEDULES PURSUANT TO RULE 17a-5**

**OF THE SECURITIES AND EXCHANGE COMMISSION**

**FOR THE YEAR ENDED DECEMBER 31, 2012**

**with**

**REPORT OF CERTIFIED PUBLIC ACCOUNTANTS**

**CONCORDE INVESTMENT SERVICES, LLC**

**TABLE OF CONTENTS**

	<u>Page No.</u>
INDEPENDENT AUDITOR'S REPORT	1
BALANCE SHEET	2
STATEMENT OF MEMBER'S EQUITY	3
STATEMENT OF INCOME	4
STATEMENT OF CASH FLOWS	5
NOTES TO FINANCIAL STATEMENTS	6 - 8
SUPPORTING SCHEDULES:	
INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION	9
COMPUTATION OF NET CAPITAL UNDER RULE 15C3-1 OF THE SECURITIES AND EXCHANGE COMMISSION	10 - 11
COMPUTATION FOR DETERMINATION OF RESERVE REQUIREMENTS FOR BROKER-DEALER UNDER RULE 15c3-3.	12

**CARNAGHI & SCHWARK, PLLC**

CERTIFIED PUBLIC ACCOUNTANTS

UPTON PROFESSIONAL BUILDING

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ANTHONY L. CARNAGHI, CPA  
DOUGLAS W. SCHWARK, CPA  
LOUIS J. CARNAGHI, CPA

(586) 779-8010  
FAX (586) 771-8970

**INDEPENDENT AUDITOR'S REPORT**

To the Member  
Concorde Investment Services, LLC

We have audited the accompanying financial statements of Concorde Investment Services, LLC, which comprise the balance sheets as of December 31, 2012 and 2011 and the related statements of income, stockholder's equity, and cash flows for the years then ended that are filed pursuant to Rule 17a-5 under the Securities Exchange Act of 1934, and the related notes to the financial statements.

**Management's Responsibility for the Financial Statements**

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 statements are 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 entity's preparation and fair presentation of the financial statements 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 entity'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 statements.

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 statements referred to above present fairly, in all material respects, the financial position of Concorde Investment Services, LLC as of December 31, 2012 and 2011 and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

*Carnaghi + Schwark, PLLC*

February 27, 2013

**CONCORDE INVESTMENT SERVICES, LLC**  
**BALANCE SHEETS**  
**December 31, 2012 And 2011**

**ASSETS**

	<b>2012</b>	<b>2011</b>
Cash and cash equivalents	\$613,744	\$222,640
Accounts receivable:		
Brokers, dealers and clearing organization	328,119	185,904
Deposit - clearing organizations	85,012	75,000
Sales representatives	18,654	17,542
Other	794	4,500
Prepaid expenses	14,138	8,075
	<b>\$1,060,461</b>	<b>\$513,661</b>

**LIABILITIES AND MEMBER'S EQUITY**

Accounts payable:		
Commissions due sales representatives	465,836	163,218
Other	13,697	6,279
Amount due Parent Company (Note 3)	1,085	86,176
Deferred fees (Note 5)	79,829	34,085
Accrued expenses	16,477	21,000
Total liabilities	576,924	310,758
Member's equity	483,537	202,903
	<b>\$1,060,461</b>	<b>\$513,661</b>

See accompanying notes.

**CONCORDE INVESTMENT SERVICES, LLC**  
**STATEMENT OF MEMBER'S EQUITY**  
**For The Years Ended December 31, 2012 And 2011**

	<u>Amount</u>
Balance, December 31, 2010	\$ 21,558
Contributions from members	102,065
Net income for the year ended December 31, 2011	<u>79,280</u>
Balance, December 31, 2011	\$ 202,903
Net income for the year ended December 31, 2012	<u>280,634</u>
Balance, December 31, 2012	<u>483,537</u>

See accompanying notes.



**CONCORDE INVESTMENT SERVICES, LLC**  
**STATEMENT OF INCOME**  
**For The Years Ended December 31, 2012 And 2011**

	<u>2012</u>	<u>2011</u>
Income:		
Commissions and fees	\$9,614,858	\$3,485,946
Interest income	1,292	364
Total income	<u>9,616,150</u>	<u>3,486,310</u>
Commissions and clearing charges:		
Commissions paid	8,050,584	2,956,934
Clearing charges	50,464	27,578
Total commissions and clearing charges	<u>8,101,048</u>	<u>2,984,512</u>
Gross profit from operations	1,515,102	501,798
Selling, general and administrative expenses	<u>1,234,468</u>	<u>422,518</u>
Income (loss) before provision for taxes	<u>280,634</u>	<u>79,280</u>
Provision for taxes:		
Federal income tax (Note 2)	-	-
Total provision for taxes	<u>-</u>	<u>-</u>
Net income (loss)	<u>\$ 280,634</u>	<u>\$ 79,280</u>

See accompanying notes.

**CONCORDE INVESTMENT SERVICES, LLC**  
**STATEMENT OF CASH FLOWS**  
**For The Years Ended December 31, 2012 And 2011**

	<b>2012</b>	<b>2011</b>
Increase (decrease) in cash and cash equivalents:		
Cash flows from operating activities:		
Fees and commissions received	\$ 9,468,113	\$ 3,300,042
Interest received	1,280	364
Commissions paid	(7,747,966)	(2,801,732)
Clearing charges	(46,712)	(27,578)
General and administrative expenses paid	(1,273,611)	(350,689)
Clearing deposits paid	(10,000)	(75,000)
Net cash provided (used) by operating activities	391,104	45,407
Cash flows from financing activities:		
Contributions from Parent Company	-	102,065
Net cash provided by financing activities	-	102,065
Net increase in cash and cash equivalents	391,104	147,472
Cash and cash equivalents at beginning of year	222,640	75,168
Cash and cash equivalents at end of year	\$ 613,744	\$ 222,640
Reconciliation of net income to net cash provided by operating activities:		
Net income (loss)	\$ 280,634	\$ 79,280
Adjustments to reconcile net income to net cash provided by operating activities:		
(Increase) decrease in:		
Accounts receivable:		
Brokers, dealers and clearing organization	(142,215)	(185,904)
Deposits – clearing organization	(10,000)	(75,000)
Sales representatives	(1,112)	(16,927)
Other	3,694	(4,500)
Prepaid expenses	(6,063)	(2,469)
Increase (decrease) in:		
Accounts payable:		
Commissions due sales representatives	302,618	155,202
Other	7,418	(2,471)
Amount due to Parent Company	(85,091)	43,111
Deferred fees	45,744	34,085
Accrued expenses	(4,523)	21,000
Total adjustments	110,470	(33,873)
Net cash provided (used) by operating activities	\$ 391,104	\$ 45,407

See accompanying notes.

**CONCORDE INVESTMENT SERVICES, LLC**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2012**

**Note 1 – ORGANIZATION**

Concorde Investment Services, LLC, (the “Company”) is a securities broker-dealer and was organized as a limited liability company by its members. The Company received its articles of organization from the State of Michigan in July, 2009 and registered with the Financial Industry Regulatory Authority (FINRA) and the Securities and Exchange Commission (SEC) in August, 2010.

The Company is a wholly owned subsidiary of Concorde Holdings, Inc. (See Note 3 for transactions with Parent Company)

**Note 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Revenue Recognition

Securities transactions and the related commission revenues and expenses are recorded on a trade date basis.

Management Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Financial Instruments With Off-Balance Sheet Risk

In the normal course of business, the Company’s activities involve the execution, settlement and financing of various securities transactions. These activities may expose the Company to off-balance sheet risk in the event the other party to the transaction is unable to fulfill its contractual obligation.

Federal Income Taxes

The Company files a consolidated income tax return with its Parent Company and subsidiaries. The provision for Federal income tax is based on total consolidated taxable income, which includes the Parent Company’s net operating loss and results in no tax to the Consolidated Group.

The Company recognizes and measures its unrecognized tax benefits in accordance with FASB ASC 740, Income Taxes. The primary objective of ASC 740 is to prescribe measurement and disclosure requirements for income tax provisions when uncertainty exists as to whether the reporting entity’s tax positions would be sustained in the event of an examination. Company management believes that there are no material uncertainties in which tax positions taken would not be sustained upon examination.

**CONCORDE INVESTMENT SERVICES, LLC**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2012**  
**(Continued)**

**Note 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Subsequent Events

The Company has evaluated events and transactions for potential recognition or disclosure through February 27, 2013, which is the same date the financial statements were available to be issued.

**Note 3 – TRANSACTIONS WITH PARENT COMPANY**

The Parent Company provides furniture and fixtures, personnel, general administrative and consulting services to the Company in connection with the Company's business. Reimbursement of these expenses is based on an itemized schedule of amounts paid.

For the years ended December 31, 2012 and 2011, the charges for the services provided by Concorde Holdings, Inc. amounted to \$1,150,759 and \$339,176 respectively, and are included in General and Administrative expenses in the attached Statement of Income.

**Note 4 – NET CAPITAL REQUIREMENTS**

The Company is subject to the Securities and Exchange Commission's Uniform Net Capital Rule (Rule 15c3-1). Based on the provisions of this rule, the Company must maintain net capital equivalent to the greater of \$50,000 or 1/15th of aggregate indebtedness, as defined.

At December 31, 2012, the Company's net capital was \$422,679 and its required net capital was \$50,000. The ratio of aggregate indebtedness to net capital (which may not exceed 15 to 1) was 1.36 to 1.

**Note 5 – DEFERRED FEES**

Deferred fees for the years ended December 31, 2012 and 2011 in the amount of \$79,829 and \$34,085, respectively, represent reimbursements received in advance from sales representatives for expenses to be paid by the Company on their behalf.

**CONCORDE INVESTMENT SERVICES, LLC**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2012**  
**(Continued)**

**Note 6 – LEASE COMMITMENTS**

The Company leases its facilities under an operating lease from a related entity. Future minimum lease payments outstanding at December 31, 2012 are as follows:

<u>Year Ended December 31,</u>	<u>Amount</u>
2013	42,000
2014	42,000
2015	42,000

The operating lease includes common area maintenance, property taxes and utilities.

For the years ended December 31, 2012 and 2011, the total lease expense pursuant to the above operating lease amounted to \$42,000 and \$33,250 respectfully, and is included in General and Administrative Expense in the attached Statement of Operations.

**SUPPORTING SCHEDULES**

**CARNAGHI & SCHWARK, PLLC**

CERTIFIED PUBLIC ACCOUNTANTS

UPTON PROFESSIONAL BUILDING

30435 GROESBECK HIGHWAY

ROSEVILLE, MICHIGAN 48066

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LOUIS J. CARNAGHI, CPA

(586) 779-8010  
FAX (586) 771-8970

**Independent Auditor's Report on Supplementary Information  
Required by Rule 17a-5 Under the Securities and Exchange Act of 1934**

Board of Directors and Stockholder  
Concorde Investment Services, LLC

We have audited the financial statements of Concorde Investment Services, LLC as of and for the year ended December 31, 2012, and have issued our report thereon dated February 27, 2013, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The supplementary information identified in the table of contents, required by Rule 17a-5 under the Securities Exchange Act of 1934, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The supplementary information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the financial statements as a whole.

*Carnaghi + Schwark, PLLC*

February 27, 2013

**CONCORDE INVESTMENT SERVICES, LLC  
COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1  
OF THE SECURITIES AND EXCHANGE COMMISSION  
December 31, 2012**

Total ownership equity	\$ 483,537
Deduct ownership equity not allowable for net capital	<u>-</u>
Total ownership equity qualified for net capital	483,537
Add:	
a. Liabilities subordinated to claims of general creditors allowable in computation of net capital	-
b. Other deductions or allowable credits	<u>-</u>
Total capital and allowable subordinated liabilities	483,537
Deduction and/or charges:	
a. Total non-allowable assets from Statement of Financial Condition	60,858
b. Other deductions and/or charges	-
Other additions and/or allowable credits	<u>-</u>
Net capital before haircuts on securities positions	422,679
Haircuts on securities (computed, where applicable, pursuant to Rule 15c3-1[f])	<u>-</u>
Net capital	422,679
Net capital requirement	<u>50,000</u>
Excess net capital	<u>\$ 372,679</u>



**CONCORDE INVESTMENT SERVICES, LLC  
COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1  
OF THE SECURITIES AND EXCHANGE COMMISSION  
December 31, 2012**

**COMPUTATION OF AGGREGATE INDEBTEDNESS**

Total liabilities from balance sheet	<u>\$ 576,924</u>
Total aggregate indebtedness	<u>\$ 576,924</u>
Percentage of aggregate indebtedness to net capital	<u>136%</u>

**STATEMENT PURSUANT TO PARAGRAPH (D) (4) OF RULE 17a-5**

Differences between this computation of net capital and the corresponding computation prepared by Concorde Investment Services, LLC and included in the Company's unaudited Part IIA, FOCUS Report filing as of the same date, consisted of the following:

Excess per this computation	\$ 372,679
Differences due to:	
Adjustment of non-allowable assets	<u>(5,540)</u>
Excess per the Company's Part IIA FOCUS Report	<u>\$ 367,139</u>

**CONCORDE INVESTMENT SERVICES, LLC  
COMPUTATION FOR DETERMINATION OF RESERVE REQUIREMENTS  
FOR BROKER-DEALER UNDER RULE 15c3-3  
December 31, 2012**

Concorde Investment Services, LLC is exempt from the Computation for Determination of Reserve Requirements for Broker-Dealers under Rule 15c3-3 of the Securities and Exchange Commission because of exemption provided under Rule 15c3-3(k)(2)(ii), as a broker-dealer, “who, as an introducing broker-dealer, clears all transactions with and for customers on a fully disclosed basis with a clearing broker-dealer...”.

**CONCORDE INVESTMENT SERVICES, LLC**  
**SUPPLEMENTAL REPORT OF THE STATUS OF**  
**MEMBERSHIP IN THE SIPC**  
**PURSUANT TO RULE 17a-5 (e) (4) OF THE**  
**SECURITIES AND EXCHANGE COMMISSION**  
**DECEMBER 31, 2012**

**with**

**REPORT OF CERTIFIED PUBLIC ACCOUNTANTS**

**CARNAGHI & SCHWARK, PLLC**  
CERTIFIED PUBLIC ACCOUNTANTS  
UPTON PROFESSIONAL BUILDING  
30435 GROESBECK HIGHWAY  
ROSEVILLE, MICHIGAN 48066

ANTHONY L. CARNAGHI, CPA  
DOUGLAS W. SCHWARK, CPA  
LOUIS J. CARNAGHI, CPA

(586) 779-8010  
FAX (586) 771-8970

**INDEPENDENT ACCOUNTANTS' REPORT ON  
APPLYING AGREED-UPON PROCEDURES**

To Concorde Investment Services, LLC  
Troy, MI

In accordance with Rule 17a-5(e)(4) under the Securities Exchange Act of 1934, we have performed the procedures enumerated below with respect to the accompanying Schedule of Assessment and Payments [General Assessment Reconciliation (Form SIPC-7)] to the Securities Investor Protection Corporation (SIPC) for the year ended December 31, 2012, which were agreed to by Concorde Investment Services, LLC and the Securities and Exchange Commission, Financial Industry Regulatory Authority, Inc. and SIPC, solely to assist you and the other specified parties in evaluating Concorde Investment Services, LLC's compliance with the applicable instructions of the General Assessment Reconciliation (Form SIPC-7). Concorde Investment Services, LLC's management is responsible for Concorde Investment Services, LLC's compliance with those requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose. The procedures we performed and our findings are as follows:

1. Compared the listed assessment payments in Form SIPC-7 with respective cash disbursement records entries noting no differences;
2. Compared the amounts reported on the audited Form X-17A-5 for the year ended December 31, 2012 with the amounts reported in Form SIPC-7 for the year ended December 31, 2012, noting no differences;
3. Compared any adjustments reported in Form SIPC-7 with supporting schedules and working papers noting no differences;
4. Proved the arithmetical accuracy of the calculations reflected in Form SIPC-7 and in the related schedules and working papers supporting the adjustments noting no differences; and
5. Compared the amount of any overpayment applied to the current assessment with the Form SIPC-7 on which it was originally computed noting no differences.

We were not engaged to, and did not conduct an examination, the objective of which would be the expression of an opinion on compliance. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the specified parties listed above and is not intended to be and should not be used by anyone other than these specified parties.

*Carmaghi + Schwarz, PLLC*

February 27, 2013

**CONCORDE INVESTMENT SERVICES, LLC**  
**SUPPLEMENTAL REPORT OF THE STATUS OF MEMBERSHIP IN THE SIPC**  
**December 31, 2012**

To the Securities and Exchange Commission:

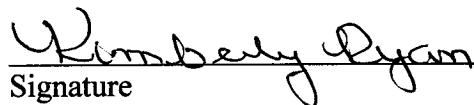
This supplemental report of the status of membership in the SIPC is furnished in conjunction with our report as of December 31, 2012, and covers the SIPC general assessment reconciliation for the year ended December 31, 2012, pursuant to Rule 17a-5(e)(4).

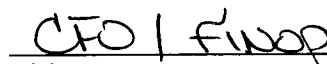
The following checks were made payable to the Securities Investor Protection Corporation and were mailed to SIPC on the date indicated.

<u>Date</u>	<u>Description</u>	<u>General Assessment Amount</u>
8/13/12	Assessment paid with SIPC-6 2012 general assessment form	\$ 6,307
2/26/13	Assessment paid with SIPC-7 2012 general assessment form	5,686 <u>\$ 11,993</u>
	Total general assessment per SIPC-7 for the year ended December 31, 2012	<u>\$ 11,993</u>

Sincerely,

Concorde Investment Services, LLC

  
\_\_\_\_\_  
Signature

  
\_\_\_\_\_  
Title

**CONCORDE INVESTMENT SERVICES, LLC**  
**SUPPLEMENTAL REPORT OF THE STATUS OF**  
**MEMBERSHIP IN THE SIPC**  
**PURSUANT TO RULE 17a-5 (e) (4) OF THE**  
**SECURITIES AND EXCHANGE COMMISSION**  
**DECEMBER 31, 2012**

**with**

**REPORT OF CERTIFIED PUBLIC ACCOUNTANTS**

**CARNAGHI & SCHWARK, PLLC**  
CERTIFIED PUBLIC ACCOUNTANTS  
UPTON PROFESSIONAL BUILDING  
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**INDEPENDENT ACCOUNTANTS' REPORT ON  
APPLYING AGREED-UPON PROCEDURES**

To Concorde Investment Services, LLC  
Troy, MI

In accordance with Rule 17a-5(e)(4) under the Securities Exchange Act of 1934, we have performed the procedures enumerated below with respect to the accompanying Schedule of Assessment and Payments [General Assessment Reconciliation (Form SIPC-7)] to the Securities Investor Protection Corporation (SIPC) for the year ended December 31, 2012, which were agreed to by Concorde Investment Services, LLC and the Securities and Exchange Commission, Financial Industry Regulatory Authority, Inc. and SIPC, solely to assist you and the other specified parties in evaluating Concorde Investment Services, LLC's compliance with the applicable instructions of the General Assessment Reconciliation (Form SIPC-7). Concorde Investment Services, LLC's management is responsible for Concorde Investment Services, LLC's compliance with those requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose. The procedures we performed and our findings are as follows:

1. Compared the listed assessment payments in Form SIPC-7 with respective cash disbursement records entries noting no differences;
2. Compared the amounts reported on the audited Form X-17A-5 for the year ended December 31, 2012 with the amounts reported in Form SIPC-7 for the year ended December 31, 2012, noting no differences;
3. Compared any adjustments reported in Form SIPC-7 with supporting schedules and working papers noting no differences;
4. Proved the arithmetical accuracy of the calculations reflected in Form SIPC-7 and in the related schedules and working papers supporting the adjustments noting no differences; and
5. Compared the amount of any overpayment applied to the current assessment with the Form SIPC-7 on which it was originally computed noting no differences.



We were not engaged to, and did not conduct an examination, the objective of which would be the expression of an opinion on compliance. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the specified parties listed above and is not intended to be and should not be used by anyone other than these specified parties.

*Carmaghi + Schwach, PLLC*

February 27, 2013

**CONCORDE INVESTMENT SERVICES, LLC**  
**SUPPLEMENTAL REPORT OF THE STATUS OF MEMBERSHIP IN THE SIPC**  
**December 31, 2012**

To the Securities and Exchange Commission:

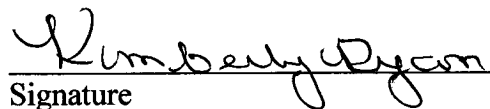
This supplemental report of the status of membership in the SIPC is furnished in conjunction with our report as of December 31, 2012, and covers the SIPC general assessment reconciliation for the year ended December 31, 2012, pursuant to Rule 17a-5(e)(4).

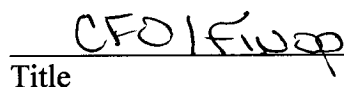
The following checks were made payable to the Securities Investor Protection Corporation and were mailed to SIPC on the date indicated.

<u>Date</u>	<u>Description</u>	<u>General Assessment Amount</u>
8/13/12	Assessment paid with SIPC-6 2012 general assessment form	\$ 6,307
2/26/13	Assessment paid with SIPC-7 2012 general assessment form	<u>5,686</u> <u>\$ 11,993</u>
	Total general assessment per SIPC-7 for the year ended December 31, 2012	<u>\$ 11,993</u>

Sincerely,

Concorde Investment Services, LLC

  
\_\_\_\_\_  
Signature

  
\_\_\_\_\_  
Title