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Section  
MAY 30 2014  
Washington, DC

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

SEC FILE NUMBER  
8-68699

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 **04/01/2013** AND ENDING **3/31/14**  
mm/dd/yy mm/dd/yy

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: **Barnard/Montague Securities LLC**  
ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)  
**601 California Street**  
(No. and Street)  
**San Francisco California 94108**  
(City) (State) (Zip Code)

OFFICIAL USE ONLY  
FIRM I.D. NO.

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT  
**Jeanne Montague 415-928-2183**  
(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

**Ernst Wintter & Associates, Certified Public Accountants**

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

**675 Ygnacio Valley Road, Suite A200 Walnut Creek California 94596**  
(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).

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.

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6/14/14

OATH OR AFFIRMATION

I, **Jeanne Montague**, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of **Barnard/Montague Securities LLC**, as of **March 31, 2014**, 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

State of California, County of Sonoma  
Subscribed and sworn to (or affirmed) before me on  
this 29th day of May, 2014, by

Jeanne Montague

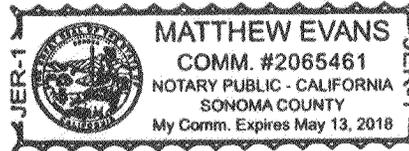
Proved to me on the basis of satisfactory evidence to be the  
person(s) who appeared before me.

Signature of Notary [Signature]

Notary Public

Jeanne Montague  
Signature

Chief Compliance Officer  
Chief Compliance Officer



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

- (a) Facing page
- (b) Statement of Financial Condition.
- (c) Statement of Income (Loss).
- (d) Statement of Cash Flows.
- (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietor's 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 Requirement 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).

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MAY 30 2014

Washington, DC  
124

# **Barnard/Montague Securities LLC**

## **Annual Audit Report**

**March 31, 2014**

***ERNST WINTER & ASSOCIATES***  
**Certified Public Accountants**

# **Barnard/Montague Securities LLC**

**March 31, 2014**

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675 Ygnacio Valley Road, Suite A200  
Walnut Creek, CA 94596

(925) 933-2626  
Fax (925) 944-6333

## **Independent Auditor's Report**

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To the Members  
Barnard/Montague Securities LLC  
San Francisco, California

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Barnard/Montague Securities LLC, (a California limited liability company), which comprise the statement of financial condition as of March 31, 2014, and the related statements of income (loss), changes in members' equity, and cash flows for the year 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 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 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 company'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 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 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 Barnard/Montague Securities LLC as of March 31, 2014, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Report on Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The information contained in Schedules I and II is presented for purposes of additional analysis and is not a required part of the financial statements, but is supplementary information required by Rule 17a-5 under the Securities Exchange Act of 1934. 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 information in Schedules I and II 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 information in Schedules I and II is fairly stated in all material respects in relation to the financial statements as a whole.

 + Associates

May 22, 2014

# **Barnard/Montague Securities LLC**

## **Statement of Financial Condition**

**March 31, 2014**

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### **Assets**

Cash and cash equivalents	\$	19,671
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Prepaid expenses and other assets		1,595
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<b>Total Assets</b>	<b>\$</b>	<b>21,266</b>
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### **Liabilities and Members' Equity**

Accounts payable and accrued liabilities	\$	3,032
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<b>Total Liabilities</b>		<b>3,032</b>
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<b>Members' Equity</b>		<b>18,234</b>
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<b>Total Liabilities and Members' Equity</b>	<b>\$</b>	<b>21,266</b>
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See independent auditor's report and accompanying notes.

# **Barnard/Montague Securities LLC**

## **Statement of Income (Loss)**

**For the Year Ending March 31, 2014**

<b>Revenue</b>		
Investment banking fees	\$	285,236
Other income		1,250
<hr/>		
<b>Total Revenue</b>		<b>286,486</b>
<hr/>		
<b>Operating Expenses</b>		
Compensation		380,339
Professional fees		17,600
Regulatory fees		9,923
Operating expenses		2,748
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<b>Total Expenses</b>		<b>410,610</b>
<hr/>		
<b>Net Income (Loss)</b>	\$	<b>(124,124)</b>
<hr/>		

See independent auditor's report and accompanying notes.

# **Barnard/Montague Securities LLC**

## **Statement of Changes in Members' Equity**

**For the Year Ending March 31, 2014**

	<b>Total</b>
March 31, 2013	\$ 704,892
Distributions	(583,001)
Member Contributions	20,467
Net income (loss)	(124,124)
<b>March 31, 2014</b>	<b>\$ 18,234</b>

See independent auditor's report and accompanying notes.

# **Barnard/Montague Securities LLC**

## **Statement of Cash Flows**

**For the Year Ending March 31, 2014**

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### **Cash Flows from Operating Activities**

Net income (loss)	\$	(124,124)
-------------------	----	-----------

Adjustments to reconcile net income (loss)  
to net cash provided by operating activities:

(Increase) decrease in:

Accounts receivable		370
---------------------	--	-----

Prepaid expenses		(1,234)
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Increase (decrease) in:

Accounts payable and accrued liabilities		(5,841)
--	--	---------

Due to related parties		(10,000)
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<b>Net Cash Used in Operating Activities</b>		<b>(140,829)</b>
--	--	------------------

### **Cash Flows from Financing Activities**

Distributions		(583,001)
---------------	--	-----------

Contributions		20,467
---------------	--	--------

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<b>Net Cash Used in Financing Activities</b>		<b>(562,534)</b>
--	--	------------------

<b>Net Decrease in Cash and Cash Equivalents</b>		<b>(703,363)</b>
--	--	------------------

Cash and cash equivalents at beginning of year		723,034
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<b>Cash and Cash Equivalents at End of Year</b>	\$	<b>19,671</b>
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See independent auditor's report and accompanying notes.

# **Barnard /Montague Securities LLC**

## **Notes to the Financial Statements**

**March 31, 2014**

### **1. Organization**

Barnard/Montague Securities LLC (the "Company") was organized as a California limited liability company on June 4, 2010 as Bering Strait Capital LLC. In February 2012 it changed its name to Barnard/Montague Securities LLC. The Company is a securities broker dealer and registered with the Securities and Exchange Commission ("SEC") and the Financial Industry Regulatory Authority ("FINRA") in February 2012. The Company advises public and private companies on mergers, acquisitions, and other corporate matters on a fee basis.

### **2. Significant Accounting Policies**

#### **Cash and Cash Equivalents**

The Company considers all demand deposits held in banks and certain highly liquid investments with original maturities of three months or less, other than those held for sale in the ordinary course of business, to be cash equivalents.

#### **Accounts Receivable**

Accounts receivable represents amounts that have been billed to clients in accordance with the Company's engagement letters with respective clients that have not yet been collected. Management reviews accounts receivable and sets up an allowance for doubtful accounts when collection of a receivable becomes unlikely. The Company considers accounts receivable to be fully collectible, and accordingly, no allowance for doubtful accounts has been provided.

#### **Investment Banking Fees**

Investment banking revenues are earned from providing private placement and advisory services. Revenue is recognized when earned either by fee contract or the success of a predetermined specified event and the income is reasonably determinable.

#### **Use of Estimates**

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America 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 revenues and expenses during the reporting period. Actual results could differ from those estimates and may have impact on future periods.

#### **Fair Value of Financial Instruments**

Unless otherwise indicated, the fair values of all reported assets and liabilities that represent financial instruments (none of which are held for trading purposes) approximate the carrying values of such amounts.

#### **Income Taxes**

The Company, a limited liability company, is taxed as a Partnership under the Internal Revenue Code and a similar state statute. In lieu of income taxes, the Company passes 100% of its taxable income and expenses to its Members. Therefore, no provision or liability for federal or state income taxes is included in these financial statements. The Company is however, subject to the annual California limited liability company tax of \$800 and a California limited liability company fee based on gross revenue.

# **Barnard /Montague Securities LLC**

## **Notes to the Financial Statements**

**March 31, 2014**

### **3. Risk Concentration**

For the period ending March 31, 2014, 100% of investment banking fees were earned from one client.

At various times during the year, the Company's cash in bank balances exceeded the FDIC insured limit. At March 31, 2014, the Company held deposits at a financial institution which were below the FDIC Limits.

### **4. Related Party Transactions**

The Member provides office space and pays most overhead expenses for the Company. The Company has no obligation to reimburse or compensate the Member. The Company's results of operations and financial position could differ significantly from those that would have been obtained if the entities were autonomous.

During the year, the Company paid \$380,339 of compensation to two Registered Representatives that became members on January 7, 2014.

### **5. Net Capital Requirements**

The Company is subject to the Securities and Exchange Commission's uniform net capital rule (Rule 15c3- which requires the Company to maintain a minimum net capital equal to or greater than \$5,000 and a ratio of aggregate indebtedness to net capital not exceeding 15 to 1, both as defined. At March 31, 2014, the Company's net capital was \$16,639 which exceeded the requirement by \$11,639.

### **6. Subsequent Events**

The Company has evaluated subsequent events through May 22, 2014 the date which the financial statements were available to be issued.

***SUPPLEMENTAL INFORMATION***

**Barnard/Montague Securities LLC**  
**Schedule I**

**Computation of Net Capital Under Rule 15c3-1  
of the Securities and Exchange Commission**

**As of March 31, 2014**

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<b>Net Capital</b>		
Total members' equity	\$	18,234
Less: Non-allowable assets		
Prepaid expenses		1,595
Total non-allowable assets		1,595
<b>Net Capital</b>		<b>16,639</b>
Net minimum capital requirement of 6/23 % of aggregate indebtedness of \$3,032 or \$5,000, whichever is greater		5,000
<b>Excess Net Capital</b>	<b>\$</b>	<b>11,639</b>

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**Reconciliation with Company's Net Capital Computation  
(Included in Part II of Form X-17A-5 as of March 31, 2014)**

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There were no material differences noted in the Company's net capital computation at March 31, 2014.

See independent auditor's report and accompanying notes.

**Barnard /Montague Securities LLC**  
**Schedule II**

**Computation for Determination of Reserve Requirements Under  
Rule 15c3-3 of the Securities and Exchange Commission**

**For the Year Ended March 31, 2014**

An exemption from Rule 15c3-3 is claimed, based upon section (k)(2)(i). All customer transactions are processed in accordance with Rule 15c3-1(a)(2).

**Information Relating to Possession or Control Requirements Under  
Rule 15c3-3 of the Securities and Exchange Commissions**

**For the Year Ended March 31, 2014**

An exemption from Rule 15c3-3 is claimed, based upon section (k)(2)(i).

**Independent Auditor's Report on Internal Control Under SEC Rule 17a-5(g)(1)**

To the Members  
Barnard/Montague Securities LLC  
San Francisco, California

In planning and performing our audit of the financial statements and supplemental schedules of Barnard/Montague Securities LLC, as of and for the year ended March 31, 2014, in accordance with auditing standards generally accepted in the United States of America, we considered Barnard/Montague Securities LLC's internal control over financial reporting ("internal control") as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Barnard/Montague Securities LLC's internal control. Accordingly, we do not express an opinion on the effectiveness of Barnard/Montague Securities LLC's internal control.

Also, as required by Rule 17a-5(g)(1) of the Securities and Exchange Commission ("SEC"), we have made a study of the practices and procedures followed by Barnard/Montague Securities LLC including consideration of control activities for safeguarding securities. This study included tests of such practices and procedures that we considered relevant to the objectives stated in Rule 17a-5(g) in making the periodic computations of aggregate indebtedness (or aggregate debits) and net capital under Rule 17a-3(a)(11) and for determining compliance with the exemptive provisions of Rule 15c3-3. Because Barnard/Montague Securities LLC does not carry securities accounts for customers or perform custodial functions relating to customer securities, we did not review the practices and procedures followed by the company in any of the following:

1. Making quarterly securities examinations, counts, verifications, and comparisons and recordation of differences required by Rule 17a-13
2. Complying with the requirements for prompt payment for securities under Section 8 of Federal Reserve Regulation T of the Board of Governors of the Federal Reserve System

The management of Barnard/Montague Securities LLC is responsible for establishing and maintaining internal control and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of controls and of the practices and procedures referred to in the preceding paragraph and to assess whether those practices and procedures can be expected to achieve the SEC's previously mentioned objectives. Two of the objectives of internal control and the practices and procedures are to provide management with reasonable but not absolute assurance that assets for which Barnard/Montague Securities LLC has responsibility are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in conformity with generally accepted accounting principles. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

Because of inherent limitations in internal control and the practices and procedures referred to above, error or fraud may occur and not be detected. Also, projection of any evaluation of them to future periods is subject to the risk that they may become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the first and second paragraphs and would not necessarily identify all deficiencies in internal control that might be material weaknesses. We did not identify any deficiencies in internal control and control activities for safeguarding securities that we consider to be material weaknesses, as defined previously.

We understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the SEC to be adequate for its purposes in accordance with the Securities Exchange Act of 1934 and related regulations, and that practices and procedures that do not accomplish such objectives in all material respects indicate a material inadequacy for such purposes. Based on this understanding and on our study, we believe that Barnard/Montague Securities LLC's practices and procedures, as described in the second paragraph of this report, were adequate at March 31, 2014, to meet the SEC's objectives.

This report is intended solely for the information and use of the Members, management, the SEC, FINRA, and other regulatory agencies that rely on Rule 17a-5(g) under the Securities Exchange Act of 1934 in their regulation of registered brokers and dealers, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script, appearing to read "E. White & Associates".

May 22, 2014