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**ANNUAL AUDITED REPORT**

**FORM X-17A-5**

**PART III**

**FACING PAGE**

**Information required of Brokers and Dealers Pursuant to Section 17 of the Securities Exchange Act of 1934 and Rule 17a-5 Thereunder**

<b>OMB APPROVAL</b>
OMB Number: 3235-0123
Expires: May 31, 2017
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<b>SEC FILE NUMBER</b>
8-68699

REPORT FOR THE PERIOD BEGINNING **04/01/15** AND ENDING **3/31/16**  
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, Suite 800**

(No. and Street)

**San Francisco**

(City)

**California**

(State)

**94108**

(Zip Code)

**OFFICIAL USE ONLY**

FIRM I.D. NO.

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

**Jeanne Montague**

**415-264-0051**

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

**Ernst Wintter & Associates LLP**

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

**675 Ygnacio Valley Road, Suite A200**

(Address)

**Walnut Creek**

(City)

**California**

(State)

**94596**

(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.

SEC 1410 (06-02)

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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, 2016, 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

[Signature]
Notary Public

Jeanne Montague
Signature
JEANNE MONTAGUE
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.



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

# **Barnard/Montague Securities, LLC**

**March 31, 2016**

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

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

**Report of Independent Registered Public Accounting Firm**

To the Members  
Barnard/Montague Securities, LLC

We have audited the accompanying statement of financial condition of Barnard/Montague Securities, LLC (the "Company") as of March 31, 2016, and the related statements of income, changes in members' equity and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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, 2016, 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.

Schedules I and II have been subjected to audit procedures performed in conjunction with the audit of the Company's financial statements. The supplemental information is the responsibility of the Company's management. Our audit procedures included determining whether the supplemental information reconciles to the financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the supplemental information. In forming our opinion on the supplemental information, we evaluated whether the supplemental information, including its form and content, is presented in conformity with 17 C.F.R. §240.17a-5. In our opinion, Schedules I and II are fairly stated, in all material respects, in relation to the financial statements as a whole.

*Ernst Wintter & Associates LLP*

Walnut Creek, California  
May 24, 2016

# **Barnard/Montague Securities, LLC**

## **Statement of Financial Condition**

**March 31, 2016**

<b>Assets</b>		
Cash	\$	29,458
Accounts receivable		414,307
Prepaid expenses and other assets		273
<b>Total Assets</b>	<b>\$</b>	<b>444,038</b>
<hr/>		
<b>Liabilities and Members' Equity</b>		
Accounts payable	\$	10,836
Due to members		10,000
Commissions payable		310,730
<b>Total Liabilities</b>		<b>331,566</b>
<b>Members' Equity</b>		<b>112,472</b>
<b>Total Liabilities and Members' Equity</b>	<b>\$</b>	<b>444,038</b>
<hr/>		

See accompanying notes.

**Barnard/Montague Securities, LLC**

**Statement of Income**

**For the Year Ending March 31, 2016**

<b>Revenue</b>		
Investment banking fees	\$	684,452
<hr/>		
<b>Total Revenue</b>		<b>684,452</b>
<hr/>		
<b>Operating Expenses</b>		
Commission expense		513,339
Professional fees		17,539
Regulatory fees		1,774
Other operating expenses		5,113
<hr/>		
<b>Total Expenses</b>		<b>537,765</b>
<hr/>		
<b>Net Income</b>	\$	<b>146,687</b>
<hr/>		

See accompanying notes.

**Barnard/Montague Securities, LLC**

**Statement of Changes in Members' Equity**

**For the Year Ending March 31, 2016**

	<b>Total</b>
April 1, 2015	\$ 10,785
Member contributions	5,000
Member distributions	(50,000)
Net income	146,687
<b>March 31, 2016</b>	<b>\$ 112,472</b>

See accompanying notes.

# **Barnard/Montague Securities, LLC**

## **Statement of Cash Flows**

**For the Year Ending March 31, 2016**

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

Net income \$ 146,687

Adjustments to reconcile net loss  
to net cash provided by operating activities:

(Increase) decrease in:

Accounts receivable (414,307)

Prepaid expenses and other assets 3,418

Increase (decrease) in:

Accounts payable and accrued liabilities 964

Due to member 10,000

Commission payable 310,730

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**Net Cash Provided by Operating Activities** **57,492**

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

Distributions (50,000)

Contributions 5,000

---

**Net Cash Used in Financing Activities** **(45,000)**

**Net Increase in Cash and Cash Equivalents** **12,492**

**Cash and cash equivalents at beginning of year** **16,966**

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**Cash and Cash Equivalents at End of Year** **\$ 29,458**

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See accompanying notes.



# **Barnard /Montague Securities, LLC**

## **Notes to the Financial Statements**

**March 31, 2016**

### **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 collectability is reasonably assured.

#### **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 an 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. The Company is no longer subject to examinations by major tax jurisdictions before 2011.

# **Barnard /Montague Securities, LLC**

## **Notes to the Financial Statements**

**March 31, 2016**

### **3. Risk Concentration**

For the year ending March 31, 2016, 100% of investment banking fees were earned from two clients. At March 31, 2016 100% of accounts receivable was related to one client.

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

Barnard/Montague Capital Advisors LLC ("BMCA") provides office space and pays most overhead expenses for the Company. The Company has no obligation to reimburse or compensate BMCA. The Company's results of operations and financial position could differ significantly from those that would have been obtained if the entities were autonomous.

On March 22, 2016 the members entered into an agreement with two individuals (the "Buyers") for the sale of their membership interests in the Company. The agreement is subject to FINRA's approval of a Continuing Member Application to be filed by the Buyers and the sale was not effective as of the audit report date. As of March 31, 2016 there was \$10,000 owed to the members for a deposit paid to the Company by the Buyers.

### **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, 2016, the Company's net capital was \$8,622 which was below the minimum requirement of \$22,104 by \$13,482. FINRA was notified of the net capital violation, and the violation was rectified on the date of discovery. As of the audit report date the Company was in compliance with the net capital requirements.

### **6. Subsequent Events**

The Company has evaluated subsequent events through May 24, 2016 the date which the financial statements were 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, 2016**

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<b>Net Capital</b>		
Total members' equity	\$	112,472
Less: Non-allowable assets		
Accounts receivable		103,577
Prepaid expenses and other assets		273
<b>Total non-allowable assets</b>		<b>103,850</b>
<b>Net Capital</b>		<b>8,622</b>
Net minimum capital requirement of 6/23 % of aggregate indebtedness of \$331,566 or \$5,000, whichever is greater		22,104
<b>Excess Net Deficit</b>	<b>\$</b>	<b>(13,482)</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, 2016)**

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Net capital as reported in Company's Part II of Form x-17A-5 as of March 31, 2016	\$	9,658
Increase in non-allowable assets		(103,577)
Increase in members' equity		102,541
<b>Net capital per above computation</b>	<b>\$</b>	<b>8,622</b>

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See 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, 2016**

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, 2016**

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

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

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

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


**Review Report of Independent Registered Public Accounting Firm**

To the Members  
Barnard/Montague Securities, LLC

We have reviewed management's statements, included in the accompanying SEA 15c3-3 Exemption Report, in which (1) Barnard/Montague Securities, LLC (the "Company") identified the following provisions of 17 C.F.R. §15c3-3(k) under which the Company claimed an exemption from 17 C.F.R. §240.15c3-3: (k)(2)(i) (the "exemption provisions") and (2) the Company stated that it met the identified exemption provisions throughout the most recent fiscal year without exception. The Company's management is responsible for compliance with the exemption provisions and its statements.

Our review was conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States) and, accordingly, included inquiries and other required procedures to obtain evidence about the Company's compliance with the exemption provisions. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on management's statements. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to management's statements referred to above for them to be fairly stated, in all material respects, based on the provisions set forth in paragraph (k)(2)(i) of Rule 15c3-3 under the Securities Exchange Act of 1934.

 + Associates LLP

Walnut Creek, California  
May 24, 2016

## Barnard/Montague Securities LLC


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### SEA 15c3-3 Exemption Report

I, Jeanne Montague, Chief Compliance Officer of Barnard/Montague Securities, LLC, (the "Company") represent the following:

1. The Company claims the k(2)(i) exemption to SEA §240.15c3-3;
2. The Company met the identified exemption provisions in SEA §240.15c3-3(k) throughout the most recent fiscal year as of March 31, 2016 without exception; and
3. There were no exceptions during the most recent fiscal year in meeting the identified exemption provisions in SEA §240.15c3-3(k).

Respectfully submitted,



Jeanne Montague  
Chief Compliance Officer

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

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

**Independent Accountant's Agreed-Upon Procedures Report on Schedule of Assessment and Payments  
(Form SIPC-7)**

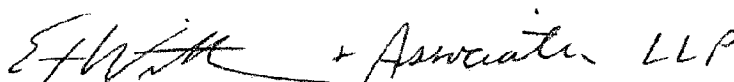
To the Members  
Barnard/Montague Securities, LLC

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 (Form SIPC-7) to the Securities Investor Protection Corporation (SIPC) for the year ended March 31, 2016, which were agreed to by Barnard/Montague Securities, LLC (the "Company"), and the Securities and Exchange Commission, Financial Industry Regulatory Authority, Inc., and SIPC, solely to assist you and the other specified parties in evaluating the Company's compliance with the applicable instructions of Form SIPC-7. The Company's management is responsible for the Company'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 March 31, 2016, as applicable, with the amounts reported in Form SIPC-7 for the year ended March 31, 2016, 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 (if applicable).

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.

 + Associates LLP

Walnut Creek, California  
May 24, 2016



**SIPC-7**

(33-REV 7/10)

**SECURITIES INVESTOR PROTECTION CORPORATION**

P.O. Box 92185 Washington, D.C. 20090-2185  
202-371-8300

**General Assessment Reconciliation**

**SIPC-7**

(33-REV 7/10)

For the fiscal year ended MARCH 31, 2016

(Read carefully the instructions in your Working Copy before completing this Form)

**TO BE FILED BY ALL SIPC MEMBERS WITH FISCAL YEAR ENDINGS**

1. Name of Member, address, Designated Examining Authority, 1934 Act registration no. and month in which fiscal year ends for purposes of the audit requirement of SEC Rule 17a-5:

[ ]

[ ]

Note: If any of the information shown on the mailing label requires correction, please e-mail any corrections to form@sipc.org and so indicate on the form filed.

Name and telephone number of person to contact respecting this form.

[ ]

[ ]

LIZ COLLINS 415-529-2759

**WORKING COPY**

2. A. General Assessment (item 2e from page 2)

\$ 1,711

B. Less payment made with SIPC-6 filed (exclude interest)

( 675 )

OCTOBER 20, 2015  
Date Paid

C. Less prior overpayment applied

( - )

D. Assessment balance due or (overpayment)

1,036

E. Interest computed on late payment (see instruction E) for \_\_\_\_\_ days at 20% per annum

-

F. Total assessment balance and interest due (or overpayment carried forward)

\$ 1,036

G. PAID WITH THIS FORM:

Check enclosed, payable to SIPC  
Total (must be same as F above)

\$ 1,036.

H. Overpayment carried forward

\$( - )

3. Subsidiaries (S) and predecessors (P) included in this form (give name and 1934 Act registration number):

\_\_\_\_\_  
\_\_\_\_\_

The SIPC member submitting this form and the person by whom it is executed represent thereby that all information contained herein is true, correct and complete.

BARNARD MONTAGUE SECURITIES LLC

(Name of Corporation, Partnership or other organization)

Jeanne Montague

(Authorized Signature)

MANAGING MEMBER

(Title)

Dated the 5<sup>th</sup> day of MAY, 2016.

This form and the assessment payment is due 60 days after the end of the fiscal year. Retain the Working Copy of this form for a period of not less than 6 years, the latest 2 years in an easily accessible place.

**SIPC REVIEWER**

Dates: Postmarked Received Reviewed

Calculations \_\_\_\_\_ Documentation \_\_\_\_\_ Forward Copy \_\_\_\_\_

Exceptions:

Disposition of exceptions:

**DETERMINATION OF "SIPC NET OPERATING REVENUES"  
AND GENERAL ASSESSMENT**

Amounts for the fiscal period  
beginning 4/1/15  
and ending 3/31/16

Eliminate cents

Item No.

2a. Total revenue (FOCUS Line 12/Part IIA Line 9, Code 4030)

\$ 684,452

2b. Additions:

- (1) Total revenues from the securities business of subsidiaries (except foreign subsidiaries) and predecessors not included above.
- (2) Net loss from principal transactions in securities in trading accounts.
- (3) Net loss from principal transactions in commodities in trading accounts.
- (4) Interest and dividend expense deducted in determining item 2a.
- (5) Net loss from management of or participation in the underwriting or distribution of securities.
- (6) Expenses other than advertising, printing, registration fees and legal fees deducted in determining net profit from management of or participation in underwriting or distribution of securities.
- (7) Net loss from securities in investment accounts.

Total additions

2c. Deductions:

- (1) Revenues from the distribution of shares of a registered open end investment company or unit investment trust, from the sale of variable annuities, from the business of insurance, from investment advisory services rendered to registered investment companies or insurance company separate accounts, and from transactions in security futures products.
- (2) Revenues from commodity transactions.
- (3) Commissions, floor brokerage and clearance paid to other SIPC members in connection with securities transactions.
- (4) Reimbursements for postage in connection with proxy solicitation.
- (5) Net gain from securities in investment accounts.
- (6) 100% of commissions and markups earned from transactions in (i) certificates of deposit and (ii) Treasury bills, bankers acceptances or commercial paper that mature nine months or less from issuance date.
- (7) Direct expenses of printing advertising and legal fees incurred in connection with other revenue related to the securities business (revenue defined by Section 16(9)(L) of the Act).
- (8) Other revenue not related either directly or indirectly to the securities business.  
(See Instruction C):

(Deductions in excess of \$100,000 require documentation)

(9) (i) Total interest and dividend expense (FOCUS Line 22/PART IIA Line 13, Code 4075 plus line 2b(4) above) but not in excess of total interest and dividend income. \$ \_\_\_\_\_

(ii) 40% of margin interest earned on customers securities accounts (40% of FOCUS line 5, Code 3960). \$ \_\_\_\_\_

Enter the greater of line (i) or (ii)

Total deductions

2d. SIPC Net Operating Revenues

\$ 684,452

2e. General Assessment @ .0025

\$ 1,711

(to page 1, line 2.A.)