

Securities and Exchange Commission  
Trading and Markets  
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**ANNUAL AUDITED REPORT  
FORM X-17A-5  
PART III**

SEC FILE NUMBER
8-68194

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 01/01/2019 AND ENDING 12-31-2019  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: CKS Securities LLC

OFFICIAL USE ONLY
FIRM I.D. NO.

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

6263 N. Scottsdale Rd - ste 390

(No. and Street)

Scottsdale

AZ

85250

(City)

(State)

(Zip Code)

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

Dennis J. Cornelius 480-451-1223

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

Spicer Jeffries LLP

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

44601DTC Blvd, ste 700

Denver

CO

80237

(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  
FEB 24 2020  
Washington, DC

**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 (11-05)

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OATH OR AFFIRMATION

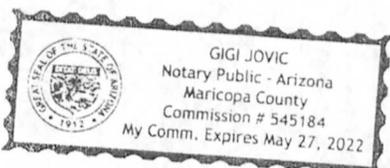
I, Dennis J. Cornelius, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of CKS Securities LLC of December 31, 2019, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

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

*[Handwritten Signature]*  
Signature

CEO  
Title

*[Handwritten Signature]* 02/18/2020  
Notary Public



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

- (a) Facing Page.
- (b) Statement of Financial Condition.
- (c) Statement of Income (Loss) or, if there is other comprehensive income in the period(s) presented, a Statement of Comprehensive Income (as defined in §210.1-02 of Regulation S-X).
- (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.

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



Certified Public Accountants

4601 DTC BOULEVARD • SUITE 700  
DENVER, COLORADO 80237  
TELEPHONE: (303) 753-1959  
FAX: (303) 753-0338  
www.spicerjeffries.com

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Member of  
CKS Securities, LLC

### Opinion on the Financial Statements

We have audited the accompanying statement of financial condition of CKS Securities, LLC (the “Company”) as of December 31, 2019, the related statements of operations, changes in member’s equity and cash flows for the year then ended, and the related notes and schedules (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2019, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

### Basis for Opinion

These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.



## Supplemental Information

The Computation of Net Capital has 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, the Computation of Net Capital is fairly stated, in all material respects, in relation to the financial statements as a whole.

*Spicer Jeffrey LLP*

We have served as CKS Securities, LLC's auditor since 2017.

Denver, Colorado  
February 1, 2020

**CKS SECURITIES, LLC**

**STATEMENT OF FINANCIAL CONDITION  
DECEMBER 31, 2019**

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**ASSETS**

Cash	\$ 30,679
Furniture, at cost, net of accumulated depreciation of \$4,143	<u>1,857</u>
	<b><u>\$ 32,536</u></b>

**LIABILITIES AND MEMBER'S EQUITY**

**LIABILITIES:**

Accounts payable and accrued expenses	<u>\$ 10,600</u>
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**COMMITMENTS AND CONTINGENCIES (Notes 3 and 4)**

Capital	177,811
Accumulated deficit	<u>(155,875)</u>

**MEMBER'S EQUITY (Notes 1 and 2)**

<u>21,936</u>
<b><u>\$ 32,536</u></b>

**CKS SECURITIES, LLC**  
**STATEMENT OF OPERATIONS**  
**YEAR ENDED DECEMBER 31, 2019**

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<b>REVENUE:</b>	
Fee income	<u>\$ 1,129,009</u>
<b>EXPENSES:</b>	
Commissions	924,511
Communications expense	61,975
Occupancy costs	55,500
Regulatory fees	30,496
General and administrative expense	26,005
Insurance	24,096
Legal fees	20,375
Depreciation	<u>857</u>
<i>Total expenses</i>	<u>1,143,815</u>
<b>NET LOSS</b>	<u><b>\$ (14,806)</b></u>

The accompanying notes are an integral part of this statement.

CKS SECURITIES, LLC

STATEMENT OF CHANGES IN MEMBER'S EQUITY  
YEAR ENDED DECEMBER 31, 2019

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	<u>Capital</u>	<u>Accumulated Deficit</u>	<u>Total Member's Equity</u>
BALANCE, December 31, 2018	\$ 177,811	\$ (141,069)	\$ 36,742
Net income (loss)	<u>-</u>	<u>(14,806)</u>	<u>(14,806)</u>
BALANCE, December 31, 2019	<u>\$ 177,811</u>	<u>\$ (155,875)</u>	<u>\$ 21,936</u>

The accompanying notes are an integral part of this statement.

**CKS SECURITIES, LLC**

**STATEMENT OF CASH FLOWS  
YEAR ENDED DECEMBER 31, 2019**

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<b>CASH FLOWS USED IN OPERATING ACTIVITIES:</b>	
Net loss	\$ (14,806)
Adjustments to reconcile net loss to net cash flows used in operating activities:	
Depreciation	857
Decrease in accounts payable and accrued expenses	<u>(217)</u>
<b>DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(14,166)</b>
<b>CASH AND CASH EQUIVALENTS, at beginning of year</b>	<u>44,845</u>
<b>CASH AND CASH EQUIVALENTS, at end of year</b>	<b><u>\$ 30,679</u></b>

The accompanying notes are an integral part of this statement.

## CKS SECURITIES, LLC

### NOTES TO FINANCIAL STATEMENTS

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#### **NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

##### **Organization and business**

CKS Securities, LLC (the "Company") was registered under the laws of the State of Arizona in March, 2009 to operate as a middle-market investment bank providing merger, acquisition, valuation and advisory services to clients. The Company is a broker-dealer registered with the SEC and is a member of the Financial Industry Regulatory Authority (FINRA).

##### **Revenue Recognition**

The Company recognizes fee income on financing, merger and acquisition transactions on the closing statement date. Advisory fee income is recognized on a monthly basis during the contracts, of generally six months. Related commission expenses are accrued as the income is recognized.

##### **Estimates**

The preparation of financial statements in conformity 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 year. Actual results could differ from those estimates.

##### **Income Taxes**

The Company is recognized as a limited liability company by the Internal Revenue Service. Accordingly, the Company's member is liable for federal and state income taxes on its respective tax returns.

Although the Company is not a taxable entity, it must file income tax returns and take tax positions that are passed through to its members. The Company is required to determine whether a tax position is more likely than not to be sustained upon examination by the applicable taxing authority, including resolution of any tax related appeals or litigation processes, based on the technical merits of the position. The Company files an income tax return in the U.S. federal jurisdiction and files an income tax return in the state of Arizona. The Company is not subject to income tax return examinations by major taxing authorities for years before 2016. No interest expense or penalties have been recognized as of and for the year ended December 31, 2019.

##### **Cash Equivalents**

For purposes of the statement of cash flows, the Company considers all federally insured bank deposits to be cash.

CKS SECURITIES, LLC

NOTES TO FINANCIAL STATEMENTS

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*(concluded)*

**NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
*(concluded)*

**Depreciation**

Depreciation of furniture is provided principally on the straight-line method over an estimated useful life of seven years.

**NOTE 2 - NET CAPITAL REQUIREMENTS**

Pursuant to the net capital provisions of Rule 15c3-1 of the Securities Exchange Act of 1934, the Company is required to maintain a minimum net capital, as defined under such provisions. At December 31, 2019, the Company had net capital and net capital requirements of \$20,079 and \$5,000, respectively. The Company's net capital ratio (aggregate indebtedness to net capital) was 0.53 to 1. According to Rule 15c3-1, the Company's net capital ratio shall not exceed 15 to 1.

**NOTE 3 - RELATED PARTY TRANSACTIONS**

The Company has an expense sharing agreement with its owner, CKS Advisors, LLC whereby certain expenses, primarily rent, payroll, insurance, furniture and equipment are shared by the companies. Under the arrangement, the Company has no liability under rental leases or for payroll taxes and related compliance.

**NOTE 4 - FINANCIAL INSTRUMENTS, OFF-BALANCE SHEET RISKS AND CONTINGENCIES**

The Company maintains its cash balance in a financial institution, which at times may exceed federally insured limits. The Company has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk.

The Company's financial instruments, including cash, and accounts payable and accrued expenses, are carried at amounts which approximate fair value.

**NOTE 5 - SUBSEQUENT EVENTS**

The Company has performed an evaluation of subsequent events through the date the financial statements were available to be issued. The evaluation did not result in any events that required disclosure.

**SUPPLEMENTARY INFORMATION**

CKS SECURITIES, LLC

COMPUTATION OF NET CAPITAL  
PURSUANT TO UNIFORM NET CAPITAL RULE 15c3-1  
DECEMBER 31, 2019

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<b>CREDIT:</b>	
Member's equity	\$ 21,936
<b>DEBITS:</b>	
Nonallowable assets:	
Furniture, at cost, net of depreciation	<u>1,857</u>
<b>NET CAPITAL</b>	20,079
Minimum requirements of 6-2/3% of aggregate indebtedness of \$10,600 or \$5,000, whichever is greater	<u>5,000</u>
<i>Excess net capital</i>	<u>\$ 15,079</u>
<b>AGGREGATE INDEBTEDNESS:</b>	
Accounts payable and accrued expenses	<u>\$ 10,600</u>
<b>RATIO OF AGGREGATE INDEBTEDNESS TO NET CAPITAL</b>	<u>0.53 to 1</u>

NOTE: There are no material differences between the above computation of net capital and the corresponding computation as submitted by the Company with the unaudited Form X-17A-5 Part II Filing as of December 31, 2019.

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Member of  
CKS Securities, LLC

We have reviewed management's statements, included in the accompanying management's statement on compliance with Rule 15c3-3, in which (1) CKS 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 the Company 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.



Denver, Colorado  
February 1, 2020



### CKS Securities, LLC's Exemption Report

CKS Securities, LLC (the "Company") is registered broker-dealer subject to Rule 17a-5 promulgated by the Securities and Exchange Commission (17C.F.R §240.17a-5, Reports to be made by certain brokers and dealers"). This Exemption Report was prepared as required by 17 C.F.R §240.17a-5(d)(I) and (4). To the best of its knowledge and belief, the Company states the following:

- (1) The Company claimed an exemption from 17 C.F.R. §240.15c3-3 under the following provisions of 17 C.F.R.§15c3-3(k): (2)(i)
- (2) The Company had no obligation under 17 C.F.R.§240.15c3-3 throughout the most recent fiscal year without exception.

CKS Securities, LLC

I, Dennis Cornelius, affirm that, to the best of my knowledge and belief, this Exemption Report is true and correct.

By   
Title: CEO

January 17, 2020



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

To the Members of  
6263 N. Scottsdale Road, Suite 390  
Scottsdale, AZ 85250

Gentlemen:

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 General Assessment Reconciliation (Form SIPC-7) to the Securities Investor Protection Corporation ("SIPC") for the year ended December 31, 2017, which were agreed to by CKS Securities, LLC (the "Company"), 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 the General Assessment Reconciliation (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 (FOCUS Report) for the year ended December 31, 2019, with the amounts reported in Form SIPC-7 for the year ended December 31, 2019 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.

Greenwood Village, Colorado  
LDOFW

CKS SECURITIES, LLC

GENERAL ASSESSMENT RECONCILIATION  
PURSUANT TO FORM SIPC-7  
DECEMBER 31, 2019

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General assessment per Form SIPC-7	\$ 1,694
Less payment made with Form SIPC-6	<u>(1,547)</u>
Payment made with Form SIPC-7	<u>\$ 147</u>