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**SEC Mail Processing ANNUAL REPORTS**  
**FORM X-17A-5**  
**PART III**

FEB 28 2024

Washington, DC

FACING PAGE

Information Required Pursuant to Rules 17a-5, 17a-12, and 18a-7 under the Securities Exchange Act of 1934

FILING FOR THE PERIOD BEGINNING 01/01/23 AND ENDING 12/31/23  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF FIRM: ERNST CAPITAL SECURITIES, LLC

TYPE OF REGISTRANT (check all applicable boxes):

- Broker-dealer     Security-based swap dealer     Major security-based swap participant  
 Check here if respondent is also an OTC derivatives dealer

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use a P.O. box no.)

101 SOUTH REID STREET, SUITE 209

(No. and Street)

SIoux FALLS

SD

57103-7062

(City)

(State)

(Zip Code)

PERSON TO CONTACT WITH REGARD TO THIS FILING

CHRIS DAUGAARD 605-271-7172

CHRIS@ERNSTCAPITALGROUP.COM

(Name)

(Area Code – Telephone Number)

(Email Address)

**B. ACCOUNTANT IDENTIFICATION**

INDEPENDENT PUBLIC ACCOUNTANT whose reports are contained in this filing\*

HENJES, CONNER & WILLIAMS, PC

(Name – if individual, state last, first, and middle name)

P.O. BOX 1937

DAKOTA DUNES SD

57049

(Address)

(City)

(State)

(Zip Code)

9/24/2003

108

(Date of Registration with PCAOB)(if applicable)

(PCAOB Registration Number, if applicable)

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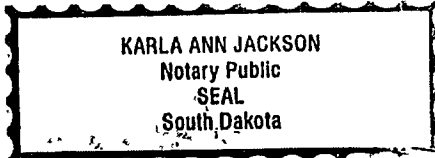
\* Claims for exemption from the requirement that the annual reports be covered by the reports of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis of the exemption. See 17 CFR 240.17a-5(e)(1)(ii), if applicable.

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OATH OR AFFIRMATION

I, CHRIS DAUGAARD, swear (or affirm) that, to the best of my knowledge and belief, the financial report pertaining to the firm of ERNST CAPITAL SECURITIES, LLC, as of 12/31, 2023, is true and correct. I further swear (or affirm) that neither the company nor any partner, officer, director, or equivalent person, as the case may be, has any proprietary interest in any account classified solely as that of a customer.



Signature: [Handwritten Signature]
Title: CEO/CCO

Handwritten signature and date: Karla Ann Jackson, Notary Public, expires 08/24/25

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

- (a) Statement of financial condition.
(b) Notes to consolidated 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...
(d) Statement of cash flows.
(e) Statement of changes in stockholders' or partners' or sole proprietor's equity.
(f) Statement of changes in liabilities subordinated to claims of creditors.
(g) Notes to consolidated financial statements.
(h) Computation of net capital under 17 CFR 240.15c3-1 or 17 CFR 240.18a-1, as applicable.
(i) Computation of tangible net worth under 17 CFR 240.18a-2.
(j) Computation for determination of customer reserve requirements pursuant to Exhibit A to 17 CFR 240.15c3-3.
(k) Computation for determination of security-based swap reserve requirements pursuant to Exhibit B to 17 CFR 240.15c3-3 or Exhibit A to 17 CFR 240.18a-4, as applicable.
(l) Computation for Determination of PAB Requirements under Exhibit A to § 240.15c3-3.
(m) Information relating to possession or control requirements for customers under 17 CFR 240.15c3-3.
(n) Information relating to possession or control requirements for security-based swap customers under 17 CFR 240.15c3-3(p)(2) or 17 CFR 240.18a-4, as applicable.
(o) Reconciliations, including appropriate explanations, of the FOCUS Report with computation of net capital or tangible net worth under 17 CFR 240.15c3-1, 17 CFR 240.18a-1, or 17 CFR 240.18a-2, as applicable, and the reserve requirements under 17 CFR 240.15c3-3 or 17 CFR 240.18a-4, as applicable, if material differences exist, or a statement that no material differences exist.
(p) Summary of financial data for subsidiaries not consolidated in the statement of financial condition.
(q) Oath or affirmation in accordance with 17 CFR 240.17a-5, 17 CFR 240.17a-12, or 17 CFR 240.18a-7, as applicable.
(r) Compliance report in accordance with 17 CFR 240.17a-5 or 17 CFR 240.18a-7, as applicable.
(s) Exemption report in accordance with 17 CFR 240.17a-5 or 17 CFR 240.18a-7, as applicable.
(t) Independent public accountant's report based on an examination of the statement of financial condition.
(u) Independent public accountant's report based on an examination of the financial report or financial statements under 17 CFR 240.17a-5, 17 CFR 240.18a-7, or 17 CFR 240.17a-12, as applicable.
(v) Independent public accountant's report based on an examination of certain statements in the compliance report under 17 CFR 240.17a-5 or 17 CFR 240.18a-7, as applicable.
(w) Independent public accountant's report based on a review of the exemption report under 17 CFR 240.17a-5 or 17 CFR 240.18a-7, as applicable.
(x) Supplemental reports on applying agreed-upon procedures, in accordance with 17 CFR 240.15c3-1e or 17 CFR 240.17a-12, as applicable.
(y) Report describing any material inadequacies found to exist or found to have existed since the date of the previous audit, or a statement that no material inadequacies exist, under 17 CFR 240.17a-12(k).
(z) Other:

\*\*To request confidential treatment of certain portions of this filing, see 17 CFR 240.17a-5(e)(3) or 17 CFR 240.18a-7(d)(2), as applicable.

**ERNST CAPITAL SECURITIES, LLC**

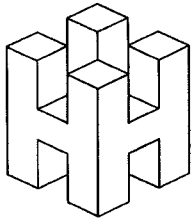
**FINANCIAL STATEMENTS**

**December 31, 2023**

# ERNST CAPITAL SECURITIES, LLC

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**HENJES, CONNER &  
WILLIAMS, P.C.**

CERTIFIED PUBLIC ACCOUNTANTS

PO BOX 1937  
801 STEVENS PORT DR  
DAKOTA DUNES, SD 57049

P: (605) 242-3900  
(800) 274-3931  
F: (605) 242-3901

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Board of Managers  
Ernst Capital Securities, LLC  
Sioux Falls, South Dakota

**Opinion on the Financial Statements**

We have audited the accompanying statement of financial condition of ERNST CAPITAL SECURITIES, LLC (a South Dakota limited liability company), as of December 31, 2023, the related statements of income, changes in members' equity, changes in liabilities subordinated to claims of general creditors, 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 Ernst Capital Securities, LLC as of December 31, 2023, 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 Ernst Capital Securities, LLC's management. Our responsibility is to express an opinion on Ernst Capital Securities, LLC'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 Ernst Capital Securities, LLC 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.

## **Auditor's Report on Supplemental Information**

The supplemental schedules on pages 12 through 15 have been subjected to audit procedures performed in conjunction with the audit of Ernst Capital Securities, LLC's financial statements. The supplemental information is the responsibility of Ernst Capital Securities, LLC'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 supplemental schedules are fairly stated, in all material respects, in relation to the financial statements as a whole.

*Kenjo, Cornea &  
Williams, PC*

Certified Public Accountants

We have served as Ernst Capital Securities, LLC's auditors since 2014.

Dakota Dunes, South Dakota  
February 14, 2024

**ERNST CAPITAL SECURITIES, LLC**  
**STATEMENT OF FINANCIAL CONDITION**  
**DECEMBER 31, 2023**

**Assets**

Current assets

Cash	\$	77,459
Money market account		25,518
CRD escrow		3,863
Savings escrow		107
Prepaid expenses		9,385
Total current assets and total assets	\$	<u>116,332</u>

**Liabilities and Capital**

Current Liabilities

Accrued expenses	\$	1,649
Sales tax liability		97
Payroll tax liability		51
Total current liabilities and total liabilities		<u>1,797</u>

Capital

Members' equity		<u>114,535</u>
Total capital		<u>114,535</u>
Total liabilities & capital	\$	<u>116,332</u>

**ERNST CAPITAL SECURITIES, LLC**  
**STATEMENT OF INCOME**  
**For the Year Ended December 31, 2023**

Revenues	
Commissions	\$ 1,126,250
Interest	594
Total Revenues	<u>1,126,844</u>
Expenses	
Commissions and fees	72,750
Office	3,000
Insurance	2,932
Legal and professional	40,597
Licenses	15,295
Payroll tax	6,173
Rent or lease	6,000
Telephone	1,200
Other taxes	374
Total expenses	<u>148,321</u>
Net income	<u>\$ 978,523</u>

**ERNST CAPITAL SECURITIES, LLC**  
**STATEMENT OF CHANGES IN MEMBERS' EQUITY**  
**For the Year Ended December 31, 2023**

	<b>Members'</b> <b>Equity</b>
Balance, December 31, 2022	\$ 266,012
Net income	978,523
Distributions to members	<u>(1,130,000)</u>
Balance, December 31, 2023	<u>\$ 114,535</u>

**ERNST CAPITAL SECURITIES, LLC**  
**STATEMENT OF CHANGES IN LIABILITIES SUBORDINATED TO CLAIMS OF GENERAL CREDITORS**  
**December 31, 2023**

Subordinated liabilities, December 31, 2022	\$	-
Increases		-
Decreases		-
		<hr/>
Subordinated liabilities, December 31, 2023	\$	-
		<hr/> <hr/>

**ERNST CAPITAL SECURITIES, LLC**  
**STATEMENT OF CASH FLOWS**  
For the Year Ended December 31, 2023

**Operating activities**

Net income	\$ 978,523
Adjustments to reconcile net income to net cash provided by operating activities:	
Decrease in accounts receivable	142,500
Increase in prepaid expenses	(1,343)
Decrease in commissions payable	(7,750)
Increase in accrued expenses	296
Increase in sales tax liability	97
Decrease in payroll tax liability	(9)
Net cash provided by operations	<u>1,112,314</u>

**Financing activities**

Distributions to members	<u>(1,130,000)</u>
Net cash used in financing	<u>(1,130,000)</u>
Net decrease in cash & cash equivalents	(17,686)
Cash and cash equivalents at beginning of year	<u>124,633</u>
Cash and cash equivalents at end of year	<u><u>\$ 106,947</u></u>

Reconciliation of cash and cash equivalents to the statement of  
financial condition:

Cash	\$ 77,459
Money market account	25,518
CRD escrow	3,863
Savings escrow	107
	<u><u>\$ 106,947</u></u>

**Supplemental disclosure of cash flow information**

Cash paid for interest	\$ -
Cash for paid for income taxes	\$ -

**ERNST CAPITAL SECURITIES, LLC**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2023**

**NOTE 1 — NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES**

This summary of significant accounting policies of Ernst Capital Securities, LLC (Company) is presented to assist in understanding the Company's financial statements. The financial statements and notes are representations of the Company's management, who are responsible for their integrity and objectivity.

**Nature of Activity**

Ernst Capital Securities, LLC is a South Dakota limited liability company that operates as a registered broker-dealer and acts as an agent in the sale of real estate interests for a limited liability company in which a Company member is a partner or manager. The Company did change its name from Ernst Capital Group I, Inc. to Ernst Capital Securities, Inc. in 2010. Effective January 1, 2013 the Company converted to a limited liability company from a corporation. It is regulated by the Securities Exchange Commission and is under the jurisdiction of FINRA (Financial Industry Regulatory Authority). FINRA is the largest independent regulator for all securities firms doing business in the United States.

**Basis of Accounting**

The Company prepares its financial statements on the accrual basis using generally accepted accounting principles.

**Revenue Recognition**

The Company receives revenue (commissions) from selling interests in limited liability companies that hold real estate used for the production of income. The Company also receives revenue from due diligence or compliance and administration of the offering. This revenue is recognized under the contract with the limited liability company at the time the investor (subscription agreement) is accepted by the issuer.

**Use of Estimates**

The preparation of financial statements in conformity with U.S. generally accepted accounting principles 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.

**Cash and Cash Equivalents**

For purposes of the statement of cash flows, the Company considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. The Company had no cash equivalents at December 31, 2023.

**ERNST CAPITAL SECURITIES, LLC**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2023**

**NOTE 1 — NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Advertising**

The Company expenses advertising production costs as they are incurred and advertising communication costs the first time the advertising takes place.

**Income Taxes**

The Company elected to be taxed as a partnership for federal and state income tax purposes. The Company's taxable income or losses, as well as certain other tax attributes, are passed through directly to the Company's members and are reported in each member's individual income tax return. Consequently, these financial statements do not include any provision for federal or state income tax expense.

Certain transactions of the Company may be subject to accounting methods for income tax purposes that differ significantly from the accounting methods used in preparing the financial statements in the accordance with generally accepted accounting principles. Accordingly, the taxable income of the Company reported for income tax purposes may differ from net income in these financial statements.

The Company has adopted the provisions of FASB ASC 740-10, "Accounting for Uncertain Tax Positions". The Company continually evaluates expiring statutes of limitations, audits, proposed settlements, changes in tax law and new authoritative rulings. Management does not expect the interpretation will have a material impact (if any) on its results from operations or financial position.

No interest or penalties have been accrued for the year ended December 31, 2023. The federal and state income tax returns of the Company for 2022, 2021, and 2020 are subject to examination by the IRS generally for 3 years after they are filed. There is no state income tax in South Dakota.

**Compensated Absences**

During the year ended December 31, 2023 the Company had two full-time employees. Accrued vacation pay at December 31, 2023 was deemed immaterial and was not accrued.

**Subsequent Events**

Management has evaluated subsequent events through February 14, 2024, the date the financial statements were available to be issued. There were no subsequent events that required disclosure.

**NOTE 2 — NET CAPITAL REQUIREMENTS**

The Company, as a registered broker-dealer, is subject to the Uniform Net Capital Rule (Rule 15c3-1) of the Securities Exchange Act of 1934. This rule requires the Company to maintain net capital of at least \$5,000 or 6 and 2/3 percent of "aggregated indebtedness", whichever is greater. In addition, the Company is not permitted to exceed a ratio of aggregate indebtedness to net capital of 15 to 1, both as defined in the Rule. At December 31, 2023, the Company had net capital of \$101,180 which was \$96,180 in excess of its requirement. The Company's ratio of aggregate indebtedness to net capital was 0.0178 to 1, at December 31, 2023.

**ERNST CAPITAL SECURITIES, LLC**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2023**

**NOTE 3 — RELATED PARTY TRANSACTIONS**

The Company's only source of revenue is from the sale of interests in real estate held by limited liability companies (LLCs) and from compliance and administrative work to the same LLCs. These real estate developments are managed and typically owned by family members of a member. The total commission and administrative revenue received from those LLCs was \$1,126,250.

The Company rents office space from Ernst Capital Group, LLC that is affiliated with a member through common ownership. Total rent due to that entity was \$6,000 during the year ended December 31, 2023. See Note 6 for future minimum rental commitments.

The Company rents computer networking and telecommunication equipment and receives clerical and professional services from Ernst Capital Group, LLC that is affiliated with a member through common ownership. The rental agreement and the clerical and professional services agreements are for one year. Total rent due for networking and telecommunications equipment to that entity was \$1,200 during the year ended December 31, 2023. The amount due for clerical services was \$3,000 during the year ended December 31, 2023. The amount due for professional services was \$18,000 during the year ended December 31, 2023. All amounts have been paid at year-end.

**NOTE 4 — CONCENTRATIONS**

All revenues were generated from limited liability companies where the same related party had controlling interests for the year ended December 31, 2023. The Company's cash balances are in one financial institution. The Federal Deposit Insurance Corporation insures balances up to \$250,000. At times the balances in the Company's accounts may exceed this limit. The Company is also a member of the Securities Investor Protection Corporation (SIPC), a nonprofit organization that assists investors when a brokerage firm closes due to bankruptcy or other financial difficulties. SIPC works to return customers' cash, stock, and other securities, and other customer property that may be missing from their account. It does not cover individuals who sold worthless stocks and other securities but rather helps customers when stocks and other securities are stolen or put at risk when a brokerage fails for other reasons. Securities in accounts transacted by the Company are protected in accordance with SIPC rules up to \$500,000 including \$250,000 cash.

**NOTE 5 — RESTRICTED CASH**

The CRD – Escrow account contains restricted cash used to pay for new or renewal licensing fees to federal and state agencies.

**NOTE 6 — LEASES AND COMMITMENTS**

The Company leases certain office space from its parent. The lease is for an initial one-year term expiring in 2024 with annual renewals unless cancelled by either party thereafter. It has been classified as a short-term operating lease and is included in the data presented above. The total short-term lease cost associated with this lease for the year ended December 31, 2023 was \$6,000 and was included in the Statement of Income as rent or lease expense.

**ERNST CAPITAL SECURITIES, LLC**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2023**

**NOTE 7 — COMMITMENTS AND CONTINGENCIES AND GUARANTEES**

There were no outstanding commitments or contingencies or guarantees as of December 31, 2023.

**ERNST CAPITAL SECURITIES, LLC**

**Schedule I - Computation of Aggregate Indebtedness and Net Capital In Accordance with Rule 15c3-1**

**Aggregate indebtedness:**

Total liabilities	\$	1,797
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**Net capital**

Members' equity	\$	114,535
Deduct nonallowable assets		<u>13,355</u>
Net capital	\$	<u><u>101,180</u></u>

**Capital Requirements**

Minimum Dollar Requirements	\$	5,000
Net Capital Exceeding Requirements	\$	96,180
Net Capital	\$	<u><u>101,180</u></u>

Percentage of Aggregate Indebtedness to Net Capital		<u><u>1.78%</u></u>
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Note: There are no material differences between the proceeding computation and the Company's corresponding unaudited Part II of Form X-17A-5 as of December 31, 2023

**ERNST CAPITAL SECURITIES, LLC**

**Schedule II - Reconciliation of Net Capital and Aggregate Indebtedness per Audit Report to FOCUS Report**

Aggregate Indebtedness from Schedule I	\$ 1,797
Aggregate Indebtedness per FOCUS report	<u>\$ 1,797</u>
Difference	<u><u>-</u></u>
Net Capital from Schedule I	\$ 101,180
Net Capital per FOCUS report	<u>\$ 101,180</u>
Difference	<u><u>-</u></u>

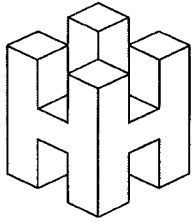
**ERNST CAPITAL SECURITIES, LLC**

**Schedule III - Information relating to Possession or Control Requirements**

The firm met the requirement to file an exemption report under footnote 74 of SEC Release No. 34-Reports, and the SEC's "Frequently Asked Questions Concerning the July 30, 2013 Amendments Broker-Dealer Financial Reporting Rule."

**ERNST CAPITAL SECURITIES, LLC**  
**Schedule IV - Computation of Reserve Requirements**

The firm met the requirement to file an exemption report under footnote 74 of SEC Release No. 34-Reports, and the SEC's "Frequently Asked Questions Concerning the July 30, 2013 Amendments Broker-Dealer Financial Reporting Rule."



**HENJES, CONNER &  
WILLIAMS, P.C.**

CERTIFIED PUBLIC ACCOUNTANTS

PO BOX 1937  
801 STEVENS PORT DR  
DAKOTA DUNES, SD 57049

P: (605) 242-3900  
(800) 274-3931  
F: (605) 242-3901

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Managers  
of Ernst Capital Securities, LLC

We have reviewed management's statements, included in the accompanying Rule 15c3-3 Exemption Report pursuant to SEC Rule 17a-5, in which (1) Ernst Capital Securities, LLC (the Company) did not claim an exemption under paragraph (k) of 17 C.F.R. §240.15c3-3, and (2) the Company is filing this Exemption Report relying on Footnote 74 of the SEC Release No. 34-70073 adopting amendments to 17 C.F.R. §240.17a-5 because the Company limits its business activities exclusively to engaging in direct participation programs and private placements structured as direct participation programs. In addition, the Company did not directly or indirectly receive, hold or otherwise owe funds or securities for or to customers, other than money or other consideration received and promptly transmitted in compliance with paragraph (a) or (b)(2) of Rule 15c2-4 and/or funds received and promptly transmitted for effecting transactions via subscriptions on a subscription way basis where the funds are payable to issuer or its agent and not to the Company; did not carry accounts of or for customers; and did not carry PAB accounts (as defined in Rule 15c3-3) throughout the most recent fiscal year without exception.

Ernst Capital Securities, LLC's management is responsible for compliance with the provisions contemplated by Footnote 74 of SEC Release No. 34-70073 adopting amendments to 17 C.F.R. §240.17a-5 and related SEC Staff Frequently Asked Questions 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 Ernst Capital Securities, LLC'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 upon the Company's business activities contemplated by Footnote 74 of the SEC Release No. 34-70073 adopting amendments to 17 C.F.R. §240.17a-5, and related SEC Staff Frequently Asked Questions.

*Henjes, Conner &  
Williams, PC*

Certified Public Accountants

Dakota Dunes, South Dakota  
February 14, 2024



101 S. REID STREET, SUITE 209  
SIOUX FALLS, SD 57103

TEL: (605) 271-7172  
FAX: (605) 271-8845

United States Securities and Exchange Commission  
Washington, DC 20549

To whom it may concern,

Ernst Capital Securities, LLC met the requirements to file an exemption report under footnote 74 of SEC Release No. 34-70073, Broker-Dealer Reports, and the SEC's "Frequently Asked Questions Concerning the July 30, 2013 Amendments to the Broker-Dealer Financial Reporting Rule" at all times during the year ended December 31, 2023 and through the date of this letter. The firm has no possession or control obligations under SEA Rule 15c3-3(b) or reserve deposit obligations under SEA Rule 15c3-3 (e) because its business is limited to engaging in direct participation programs and private placements structured as direct participation programs. We did not carry accounts for customers, promptly transmitted all customer funds, and delivered all securities received in connection with our activities as a broker or dealer, did not directly or indirectly receive, hold, or otherwise owe funds or securities for or to customers other than money or other consideration received and promptly transmitted in compliance with the Exchange Act Rule 15c2-4, and did not carry broker-dealer proprietary accounts as defined in Exchange Act Rule 15c3-3

I, Chris Daugaard have conducted sufficient tests of the books and records to ascertain and claim that we were a non-covered firm in 2023. In all cases reviewed, the processes and procedures required were followed and documented.

A handwritten signature in black ink, appearing to read 'Chris Daugaard'.

Chris Daugaard  
Ernst Capital Securities, LLC  
President and CEO  
February 14, 2024

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*Securities are offered through Ernst Capital Securities, LLC Member FINRA / SIPC.  
Any statements made herein are not an offer to sell securities. If an offering is made it will be through a  
Private Placement Memorandum which will contain the details of the offering including a discussion of risk factors.  
An investment decision should be made only after a careful review of the Private Placement Memorandum.*

ERNST CAPITAL SECURITIES, LLC

SIPC SUPPLEMENTAL REPORT

DECEMBER 31, 2023

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

OMB APPROVAL
OMB Number: 3235-0123
Expires: Nov. 30, 2026
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ANNUAL REPORTS  
FORM X-17A-5  
PART III

SEC FILE NUMBER
8-68083

FACING PAGE

Information Required Pursuant to Rules 17a-5, 17a-12, and 18a-7 under the Securities Exchange Act of 1934

FILING FOR THE PERIOD BEGINNING 01/01/23 AND ENDING 12/31/23  
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF FIRM: ERNST CAPITAL SECURITIES, LLC

TYPE OF REGISTRANT (check all applicable boxes):

- Broker-dealer     Security-based swap dealer     Major security-based swap participant  
 Check here if respondent is also an OTC derivatives dealer

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use a P.O. box no.)

101 SOUTH REID STREET, SUITE 209

(No. and Street)

SIoux FALLS

SD

57103-7062

(City)

(State)

(Zip Code)

PERSON TO CONTACT WITH REGARD TO THIS FILING

CHRIS DAUGAARD 605-271-7172

CHRIS@ERNSTCAPITALGROUP.COM

(Name)

(Area Code – Telephone Number)

(Email Address)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose reports are contained in this filing\*

HENJES, CONNER & WILLIAMS, PC

(Name – if individual, state last, first, and middle name)

P.O. BOX 1937

DAKOTA DUNES SD

57049

(Address)

(City)

(State)

(Zip Code)

9/24/2003

108

(Date of Registration with PCAOB)(if applicable)

(PCAOB Registration Number, if applicable)

FOR OFFICIAL USE ONLY

\* Claims for exemption from the requirement that the annual reports be covered by the reports of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis of the exemption. See 17 CFR 240.17a-5(e)(1)(ii), if applicable.

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.

OATH OR AFFIRMATION

I, CHRIS DAUGAARD, swear (or affirm) that, to the best of my knowledge and belief, the financial report pertaining to the firm of ERNST CAPITAL SECURITIES, LLC, as of 12/31, 2023, is true and correct. I further swear (or affirm) that neither the company nor any partner, officer, director, or equivalent person, as the case may be, has any proprietary interest in any account classified solely as that of a customer.



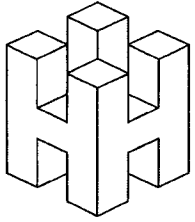
Signature: [Handwritten Signature]
Title: CEO/CCO

[Handwritten Signature]
Notary Public
05/24/25

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

- (a) Statement of financial condition.
(b) Notes to consolidated 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...
(d) Statement of cash flows.
(e) Statement of changes in stockholders' or partners' or sole proprietor's equity.
(f) Statement of changes in liabilities subordinated to claims of creditors.
(g) Notes to consolidated financial statements.
(h) Computation of net capital under 17 CFR 240.15c3-1 or 17 CFR 240.18a-1, as applicable.
(i) Computation of tangible net worth under 17 CFR 240.18a-2.
(j) Computation for determination of customer reserve requirements pursuant to Exhibit A to 17 CFR 240.15c3-3.
(k) Computation for determination of security-based swap reserve requirements pursuant to Exhibit B to 17 CFR 240.15c3-3 or Exhibit A to 17 CFR 240.18a-4, as applicable.
(l) Computation for Determination of PAB Requirements under Exhibit A to § 240.15c3-3.
(m) Information relating to possession or control requirements for customers under 17 CFR 240.15c3-3.
(n) Information relating to possession or control requirements for security-based swap customers under 17 CFR 240.15c3-3(p)(2) or 17 CFR 240.18a-4, as applicable.
(o) Reconciliations, including appropriate explanations, of the FOCUS Report with computation of net capital or tangible net worth under 17 CFR 240.15c3-1, 17 CFR 240.18a-1, or 17 CFR 240.18a-2, as applicable, and the reserve requirements under 17 CFR 240.15c3-3 or 17 CFR 240.18a-4, as applicable, if material differences exist, or a statement that no material differences exist.
(p) Summary of financial data for subsidiaries not consolidated in the statement of financial condition.
(q) Oath or affirmation in accordance with 17 CFR 240.17a-5, 17 CFR 240.17a-12, or 17 CFR 240.18a-7, as applicable.
(r) Compliance report in accordance with 17 CFR 240.17a-5 or 17 CFR 240.18a-7, as applicable.
(s) Exemption report in accordance with 17 CFR 240.17a-5 or 17 CFR 240.18a-7, as applicable.
(t) Independent public accountant's report based on an examination of the statement of financial condition.
(u) Independent public accountant's report based on an examination of the financial report or financial statements under 17 CFR 240.17a-5, 17 CFR 240.18a-7, or 17 CFR 240.17a-12, as applicable.
(v) Independent public accountant's report based on an examination of certain statements in the compliance report under 17 CFR 240.17a-5 or 17 CFR 240.18a-7, as applicable.
(w) Independent public accountant's report based on a review of the exemption report under 17 CFR 240.17a-5 or 17 CFR 240.18a-7, as applicable.
(x) Supplemental reports on applying agreed-upon procedures, in accordance with 17 CFR 240.15c3-1e or 17 CFR 240.17a-12, as applicable.
(y) Report describing any material inadequacies found to exist or found to have existed since the date of the previous audit, or a statement that no material inadequacies exist, under 17 CFR 240.17a-12(k).
(z) Other: A copy of the SIPC Supplemental Report

\*\*To request confidential treatment of certain portions of this filing, see 17 CFR 240.17a-5(e)(3) or 17 CFR 240.18a-7(d)(2), as applicable.



**HENJES, CONNER &  
WILLIAMS, P.C.**

CERTIFIED PUBLIC ACCOUNTANTS

PO BOX 1937  
801 STEVENS PORT DR  
DAKOTA DUNES, SD 57049

P: (605) 242-3900  
(800) 274-3931  
F: (605) 242-3901

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM  
ON APPLYING AGREED-UPON PROCEDURES**

To the Board of Managers  
Ernst Capital Securities, LLC  
Sioux Falls, South Dakota

We have performed the procedures included in Rule 17a-5(e)(4) under the Securities Exchange Act of 1934 and in the Securities Investor Protection Corporation (SIPC) Series 600 Rules, which are enumerated below on the accompanying General Assessment Reconciliation (Form SIPC-7) for the year ended December 31, 2023. Management of Ernst Capital Securities, LLC (Company) is responsible for its Form SIPC-7 and for its compliance with the applicable instructions on Form SIPC-7.

Management of the Company has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of assisting you and SIPC in evaluating the Company's compliance with the applicable instructions on Form SIPC-7 for the year ended December 31, 2023. Additionally, SIPC has agreed to and acknowledged that the procedures performed are appropriate for their intended purpose. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. 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 associated 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 Total Revenue amount reported on the Annual Audited Report Form X-17A-5 Part III for the year ended December 31, 2023 with the Total Revenue amount reported in Form SIPC-7 for the year ended December 31, 2023, noting no differences;
3. Compared any adjustments reported in Form SIPC-7 with supporting schedules and working papers, noting no differences;
4. Recalculated 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 engaged by the Company to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the AICPA and in accordance with the standards of the Public Company Accounting Oversight Board (United States). We were not engaged to and did not conduct an examination or a review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the Company's Form SIPC-7 and for its compliance with the applicable instructions on Form SIPC-7 for the year ended December 31, 2023. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

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

*Kenya, Conner ?*  
*Williams, PC*

Certified Public Accountants

Dakota Dunes, South Dakota  
February 14, 2024

**GENERAL ASSESSMENT FORM**

For the fiscal year ended 12/31/2023

Determination of "SIPC NET Operating Revenues" and General Assessment for:	
MEMBER NAME	SEC No.
ERNST CAPITAL SECURITIES LLC	8-68083
For the fiscal period beginning <u>1/1/2023</u> and ending <u>12/31/2023</u>	

- |          |   |                        |
|----------|---|------------------------|
| <b>1</b> | Total Revenue (FOCUS Report – Statement of Income (Loss) – Code 4030)   | <u>\$ 1,126,844.00</u> |
| <b>2</b> | Additions:  |                        |
|          | <b>a</b> Total revenues from the securities business of subsidiaries (except foreign subsidiaries) and predecessors not included above.   | _____                  |
|          | <b>b</b> Net loss from principal transactions in securities in trading accounts.  | _____                  |
|          | <b>c</b> Net loss from principal transactions in commodities in trading accounts.   | _____                  |
|          | <b>d</b> Interest and dividend expense deducted in determining item 1.  | _____                  |
|          | <b>e</b> Net loss from management of or participation in the underwriting or distribution of securities.  | _____                  |
|          | <b>f</b> Expenses other than advertising, printing, registration fees and legal fees deducted in determining net profit management of or participation in underwriting or distribution of securities.   | _____                  |
|          | <b>g</b> Net loss from securities in investment accounts.   | _____                  |
|          | <b>h</b> Add lines 2a through 2g. This is your <b>total additions</b> .   | <u>\$ 0.00</u>         |
| <b>3</b> | Add lines 1 and 2h  | <u>\$ 1,126,844.00</u> |
| <b>4</b> | Deductions:   |                        |
|          | <b>a</b> 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. | _____                  |
|          | <b>b</b> Revenues from commodity transactions.  | _____                  |
|          | <b>c</b> Commissions, floor brokerage and clearance paid to other SIPC members in connection with securities transactions.  | _____                  |
|          | <b>d</b> Reimbursements for postage in connection with proxy solicitations.   | _____                  |
|          | <b>e</b> Net gain from securities in investment accounts.   | _____                  |
|          | <b>f</b> 100% 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.  | _____                  |
|          | <b>g</b> 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).  | _____                  |
|          | <b>h</b> Other revenue not related either directly or indirectly to the securities business.  | _____                  |
|          | <b>Deductions in excess of \$100,000 require documentation</b>  |                        |
| <b>5</b> | <b>a</b> Total interest and dividend expense (FOCUS Report - Statement of Income (Loss) - Code 4075 plus line 2d above) but not in excess of total interest and dividend income   | _____                  |
|          | <b>b</b> 40% of margin interest earned on customers securities accounts (40% of FOCUS Report - Statement of Income (Loss) - Code 3960)  | _____                  |
|          | <b>c</b> Enter the greater of line 5a or 5b   | <u>\$ 0.00</u>         |
| <b>6</b> | Add lines 4a through 4h and 5c. This is your <b>total deductions</b> .  | <u>\$ 0.00</u>         |

**GENERAL ASSESSMENT FORM**

For the fiscal year ended 12/31/2023

7	Subtract line 6 from line 3. This is your <b>SIPC Net Operating Revenues.</b>	<u>\$ 1,126,844.00</u>
8	Multiply line 7 by .0015. This is your <b>General Assessment.</b>	<u>\$ 1,690.00</u>
9	Current overpayment/credit balance, if any	<u>\$ 0.00</u>
10	General assessment from last filed <u>2023</u> SIPC-6 or 6A	<u>\$ 41.55</u>
11 a	Overpayment(s) applied on all <u>2023</u> SIPC-6 and 6A(s)	<u>\$ 0.00</u>
b	Any other overpayments applied	<u>\$ 0.00</u>
c	All payments applied for <u>2023</u> SIPC-6 and 6A(s)	<u>\$ 41.55</u>
d	Add lines 11a through 11c	<u>\$ 41.55</u>
12	<b>LESSER</b> of line 10 or 11d.	<u>\$ 41.55</u>
13 a	Amount from line 8	<u>\$ 1,690.00</u>
b	Amount from line 9	<u>\$ 0.00</u>
c	Amount from line 12	<u>\$ 41.55</u>
d	Subtract lines 13b and 13c from 13a. This is your <b>assessment balance due.</b>	<u>\$ 1,648.45</u>
14	Interest (see instructions) for <u>0</u> days late at 20% per annum	<u>\$ 0.00</u>
15	<b>Amount you owe SIPC.</b> Add lines 13d and 14.	<u>\$ 1,648.45</u>
16	Overpayment/credit carried forward (if applicable)	<u>\$ 0.00</u>

SEC No. 8-68083	Designated Examining Authority DEA: FINRA	FYE 2023	Month Dec
MEMBER NAME	ERNST CAPITAL SECURITIES LLC		
MAILING ADDRESS	101 SO REID ST STE 209 SIOUX FALLS, SD 57103 UNITED STATES		

Subsidiaries (S) and predecessors (P) included in the form (give name and SEC number)

By checking this box, you certify that you have the authority of the SIPC member to sign this form; that all information in this form is true and complete; and that on behalf of the SIPC member, you are authorized, and do hereby consent, to the storage and handling by SIPC of the data in accordance with SIPC's Privacy Policy

ERNST CAPITAL SECURITIES LLC  
(Name of SIPC Member)

2/15/2024  
(Date)

Nicholas Alan Gates  
(Authorized Signatory)

nick@ernstcapitalgroup.com  
(e-mail address)

Completion of the "Authorized Signatory" line will be deemed a signature.

***This form and the assessment payment are due 60 days after the end of the fiscal year.***