

# **Park Avenue Securities LLC**

(A wholly owned subsidiary of  
The Guardian Life Insurance Company of America)

**Financial Statements and**

**Supplementary Schedules Pursuant to Rule 17a-5**

**Under the Securities Exchange Act of 1934**

**December 31, 2023**

**(Confidential treatment requested)**

**Park Avenue Securities LLC**  
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**December 31, 2023**  
**(Confidential treatment requested)**

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

To the Board of Managers and Member of Park Avenue Securities LLC

### ***Opinion on the Financial Statements***

We have audited the accompanying statement of financial condition of Park Avenue Securities LLC (the "Company") as of December 31, 2023 and the related statements of operations, changes in member's equity and cash flows for the year then ended, including the related notes (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, 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 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 of these financial statements 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 accompanying Schedules I - Computation of Net Capital Pursuant to Uniform Net Capital Rule 15c3-1 of the Securities Exchange Act of 1934 and II - Computation of Determination of Reserve Requirements for Broker-Dealers and Information for Possession or Control Requirements under Rule 15c3-3 of the Securities Exchange Act of 1934 as of December 31, 2023 (collectively, the "supplemental information") 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 Rule 17a-5 under the Securities Exchange Act of 1934. In our opinion, the supplemental information is fairly stated, in all material respects, in relation to the financial statements as a whole.

*PricewaterhouseCoopers LLP*

New York, NY  
February 26, 2024

We have served as the Company's auditor since 1999.

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**Park Avenue Securities LLC**  
**Statement of Financial Condition**  
**December 31, 2023**  
**(Confidential treatment requested)**

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**Assets**

Cash and cash equivalents	\$ 87,536,006
Cash Segregated in compliance with federal and other regulations	1,100
Deposits with clearing organizations	250,000
Receivable from clearing broker-dealer, less allowance for credit losses of \$27,029	14,623,302
Receivable from registered representatives, less allowance for credit losses of \$332,114	2,845,811
Commissions receivable, less allowance for credit losses of \$47,795	9,511,251
Amounts due from Guardian Life (Tax Recoverable)	440,099
Other assets, less allowance for credit losses of \$1,868,304	2,424,372
Deferred tax assets, net	512,599
Total assets	<u><u>\$ 118,144,540</u></u>

**Liabilities and Member's Equity**

Due to Guardian Life, net	\$ 9,399,172
Commissions payable	17,015,058
Other liabilities	1,156,054
Total liabilities	<u><u>27,570,284</u></u>
Member's equity	<u><u>90,574,256</u></u>
Total liabilities and member's equity	<u><u>\$ 118,144,540</u></u>

See accompanying notes to financial statements.

**Park Avenue Securities LLC**  
**Statement of Operations**  
**December 31, 2023**  
**(Confidential treatment requested)**

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**Revenues**

Commissions	\$ 336,292,032
RIA platform fees	34,300,085
Revenue sharing fees	6,324,508
Interest income	54,782,528
Registered representative fees	1,496,071
Brokerage account fees	1,825,148
Other income	6,788,679
Total revenues	<u>441,809,051</u>

**Expenses**

Commissions to agents	283,517,392
General and administrative expenses	58,869,732
Clearance fees	29,436,397
License fees	467,683
Other expenses	1,024,754
Total expenses	<u>373,315,958</u>
Income before income tax expense	68,493,093
Income tax expense	<u>14,483,261</u>
Net Income	<u>\$ 54,009,832</u>

See accompanying notes to financial statements.

**Park Avenue Securities LLC**  
**Statement of Changes in Member's Equity**  
**December 31, 2023**  
**(Confidential treatment requested)**

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<b>Balance at January 1, 2023</b>	\$ 76,564,424
Net Income	54,009,832
Return of Capital	(15,000,000)
Dividend to Shareholder	<u>(25,000,000)</u>
<b>Balance at December 31, 2023</b>	<u><u>\$ 90,574,256</u></u>

See accompanying notes to financial statements.

**Park Avenue Securities LLC**  
**Statement of Cash Flows**  
**December 31, 2023**  
**(Confidential treatment requested)**

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**Cash flows from operating activities**

Net Income		\$ 54,009,832
Adjustments to reconcile net income		
to net cash provided by operating activities		
Deferred taxes	\$ (200,689)	
Allowance for bad debt expense	971,892	
(Increase) decrease in operating assets:		
Receivable from clearing broker-dealer	\$ (3,615,778)	
Receivable from registered representatives	190,748	
Due from Guardian Life	(440,099)	
Commissions receivable	(1,532,931)	
Other assets	3,426,705	
Increase (decrease) in operating liabilities:		
Commissions payable	\$ 3,303,380	
Due to Guardian Life	2,016,305	
Other liabilities	(866,899)	
Total adjustments		<u>3,252,634</u>
Net cash provided by operating activities		<u>57,262,466</u>

**Cash flows from financing activities**

Return of capital	(15,000,000)
Dividend to shareholder	<u>(25,000,000)</u>
Net cash used in financing activities	<u>(40,000,000)</u>

Net increase in cash, cash equivalents and restricted cash 17,262,466

**Cash, cash equivalents and restricted cash**

Beginning of the year	<u>70,274,640</u>
End of the year	<u>\$ 87,537,106</u>

Supplemental cash flows disclosures:

Cash paid to Guardian Life during the year for income taxes	<u>\$ 16,054,285</u>
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See accompanying notes to financial statements.

**Park Avenue Securities LLC**  
**Notes to Financial Statements**  
**December 31, 2023**  
**(Confidential treatment requested)**

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**1. Organization and Nature of Business**

Park Avenue Securities LLC (the “Company”) is a registered broker-dealer with the Securities and Exchange Commission (“SEC”) and is a member of the Financial Industry Regulatory Authority (“FINRA”) and Securities Investor Protection Corporation (“SIPC”). The Company is also a registered investment advisor under the Investment Advisers Act of 1940 and a Delaware Limited Liability company. The Company is a wholly owned subsidiary of The Guardian Life Insurance Company of America (“Guardian Life”).

The Company, through its affiliate, The Guardian Insurance and Annuity Company Inc (“GIAC”), employs agencies as its distribution system through which all securities transactions are conducted. All agencies are subject to an Agency Agreement with GIAC that outlines the rights and responsibilities of GIAC and its affiliates. Registered representatives and investment advisors are agency employees whose rights and responsibilities are governed by a Registered Representative Agreement or Investment Advisor Representative Agreement, respectively, by and between the Company and the representative.

The Company’s business as a securities broker-dealer consists of selling products currently offered by GIAC as well as third party sponsors to retail customers. Such products include mutual funds, variable annuities, variable life insurance, 401(k) plan and investment advisory services. Brokerage transactions are executed by the Company on behalf of its customers and are conducted on an agency or riskless principal basis and are introduced on a fully disclosed basis to Pershing LLC (the “Clearing Broker”). The Company does not carry customer accounts or perform custodial functions related to customer securities. Direct customer transactions are executed by third party sponsors, or GIAC on behalf of the customers. The Company also acts as a broker in the purchase and sale of securities which are conducted on a give-up basis.

**2. Significant Accounting Policies**

**Basis of Presentation**

The Company’s financial statements are prepared in accordance with generally accepted accounting principles in the United States of America (“GAAP”).

**Use of Estimates**

The preparation of these financial statements in conformity with GAAP 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, as well as the reported amounts of revenues and expenses during the accounting period. Actual results could differ from those estimates.

**Cash, Cash Equivalents and Restricted Cash**

Cash and cash equivalents include amounts on deposit with banks and highly liquid investments with an original maturity of three months or less. They are reported at cost, which approximates fair value because of the relatively short period of time between their origination and expected maturity.

Cash segregated in compliance with federal and other regulations represents restricted cash segregated for the exclusive benefit of customers of the Company.



**Park Avenue Securities LLC**  
**Notes to Financial Statements (continued)**  
**December 31, 2023**  
**(Confidential treatment requested)**

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The following table provides a reconciliation of cash, cash equivalents and restricted cash as reported within the Statement of Financial Condition to the Statement of Cash Flow:

Cash and cash equivalents	\$ 87,536,006
Cash segregated in compliance with federal and other regulations	1,100
Total cash, cash equivalents and restricted cash shown in the Statement of Cash Flow	<u>\$ 87,537,106</u>

**Receivable from clearing Broker-Dealer**

The Company clears certain customer transactions through the clearing broker. The Receivable from broker-dealer includes advisory fees, annual account fees and non-proprietary trail commission receivable. Receivables from clearing broker-dealer are stated net of a provision for credit losses, which is estimated based upon the evaluation of historical loss experience and management's forecasts. The opening balance in this account as of January 1, 2023, was \$11,028,314, less allowance for credit losses of \$6,239. During 2023, there were no write-offs related to this account. The increase in allowance for credit losses of \$20,790 was included in Other Expenses.

**Receivable from Registered Representatives**

Receivable from registered representatives relates to annual fees (registered representative fees) charged for support functions, such as technology tools, licensing, compliance and regulatory oversight, and administrative services. Receivables are stated net of a provision for credit losses, which is estimated based upon the evaluation of aging, specific exposures, historical loss experience and management's forecasts. The opening balance in this account as of January 1, 2023, was \$3,097,978, less allowance for credit losses of \$270,695. During 2023, there were write offs of \$144,153. The increase in allowance for credit losses of \$61,419 was included in Other Expenses.

**Commissions Receivable**

All transactions, other than those cleared through the clearing broker, represent activity conducted directly between the client and third-party sponsors. Commissions receivable include investment advisory service fees receivable from turnkey asset management programs (TAMPs), direct sponsor trailing commissions from mutual funds and revenue sharing receipts. Commissions receivable are stated net of a provision for credit losses, which is estimated based upon the evaluation of historical loss experience and management's forecasts. The opening balance in this account as of January 1, 2023, was \$7,985,984, less allowance for credit losses of \$40,131. During 2023, there were no write offs or recoveries related to this account. The increase in allowance for credit losses of \$7,664 was included in Other Expenses.

**Other Assets**

Other Assets include loans from the Company to registered representatives and prepaid licensing fees. Other assets are stated net of a provision for credit losses for amounts due from registered representatives, which is estimated based upon the evaluation of historical loss experience, guarantees in place and management's forecasts. The opening balance in this account as of January 1, 2023, was \$6,741,302 less allowance for credit losses of \$986,285. During 2023, there was a write off of \$167,487. The increase in allowance for credit losses of \$882,019 was included in Other Expenses.

**Park Avenue Securities LLC**  
**Notes to Financial Statements (continued)**  
**December 31, 2023**  
**(Confidential treatment requested)**

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**Due to Guardian Life**

Amounts payable consist of general operating expenses payable to Guardian Life under an intercompany agreement.

**Commissions payable**

The Company remits commissions payments to the registered representatives on behalf of the general agents. Commissions payable represent balances owed to the registered representatives.

**Other Liabilities**

Other liabilities include unpaid operating expenses.

There was no accrual made for loss contingencies at year end. See Note 8 for further discussion of Contingencies.

**Revenue and Expense Recognition**

**Commissions and Commissions to agents**

Commissions earned from customers' securities transactions are recorded on a trade date basis. The performance obligation is satisfied on the trade date because that is when the underlying financial instrument or purchaser is identified, the pricing is agreed upon and the risks and rewards of ownership have been transferred to/from the customer.

Insurance commission revenues are recognized when the delivery of the insurance contract is confirmed by the carrier, the premium is remitted to the insurance company and the contract requirements are met. The delivery of the insurance contract is the appropriate point in time to recognize revenue for insurance commission transactions as there are no significant actions which the Company needs to take subsequent to this date and the carrier obtains the risks and rewards of the insurance contract.

Commissions also include certain asset-based fees. These fees include trailing commissions from mutual funds and variable annuities/insurance products, which are recorded ratably over the period earned as the performance obligations are simultaneously provided by the Company and consumed by the customer.

Commissions also include the fees earned for investment advisory services. The performance obligation for providing advisory services is satisfied over time because the customer is receiving and consuming the benefits as they are provided by the Company. These fees are computed as either a percentage of the assets in the client account, or a flat periodic fee charged to the client for investment advice.

Commissions also include sales of GIAC's variable annuity and variable life insurance products as well as brokerage commission and sales of mutual funds.

All commissions and fees are specifically stated in customer contracts. For the year ended December 31, 2023, total revenue from contracts was \$339,613,251 classified within Commissions, Registered representative fees and Brokerage account fees line items in the Statement of Operations.

**Park Avenue Securities LLC**  
**Notes to Financial Statements (continued)**  
**December 31, 2023**  
**(Confidential treatment requested)**

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Compensation to agents is computed as a percentage of the revenues generated and recorded as an expense in Commissions to agents within the Statement of Operations. The revenue and the related commission expense earned by the registered representative are presented gross on the Statement of Operations.

**RIA Platform Fees**

Registered Investment Advisor (RIA) platform fees represent non compensable fees related to the Company's proprietary advisory programs.

**Revenue Sharing Fees**

Revenue sharing fees represent marketing support fees paid to the Company by Mutual Fund and Variable Annuity companies.

**Other Income**

Other income consists mainly of clearing broker incentives, transaction fee income which are not commissions earned by the registered representative and for which there is no associated commission expense.

All fees, basis points or rates are specifically stated in contracts with third parties.

**General and Administrative Expenses**

General and administrative expenses include compensation and benefits for salaried employees, professional services, occupancy, communications and other general office charges.

**Clearance Fees**

Clearance Fees consists of clearing and execution charges on customer transactions as well as other incidental expenses incurred by the Clearing Broker on behalf of the Company.

**License Fees**

License Fees consist of employees' regulatory licenses and fees paid to FINRA by the Company on behalf of the employees.

**Other Expenses**

Other Expenses consist mainly of allowance for credit losses.

**Income Taxes**

The Company is organized as a limited liability company and is treated as a disregarded entity for federal and state income tax purposes. The Company's results are included in Guardian Life's proforma federal income tax return, which is ultimately included in the consolidated federal income tax return of Guardian Life. The Internal Revenue Code ("the Code") limits the amount of non-life insurance losses that may offset life insurance company taxable income. The consolidated income tax liability is allocated among the members of the group in accordance with a tax allocation agreement. The tax allocation agreement provides that each member of the group is allocated its share of the consolidated tax provision or benefit, determined generally on a separate company basis, but may, where applicable, recognize the tax benefits of net operating losses or capital losses utilizable in the consolidated group. For state tax purposes, since Guardian Life is an insurance

**Park Avenue Securities LLC**  
**Notes to Financial Statements (continued)**  
**December 31, 2023**  
**(Confidential treatment requested)**

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company, it is generally subject to tax on gross premium rather than tax on income. However, in those years where Guardian Life is subject to a state income tax, such income will be subject to the group's tax allocation agreement. Intercompany tax balances are settled quarterly on an estimated basis with a final settlement within 30 days of the filing of the consolidated return.

Current Federal income taxes are charged or credited to operations based upon amounts estimated to be payable or recoverable as a result of taxable operations for the current year and any adjustments to such estimates from prior years. Deferred Federal income tax assets ("DTA's") and liabilities ("DTL's") are recognized for expected future tax consequences of temporary differences between GAAP and taxable income. Temporary differences are identified and measured using a balance sheet approach whereby GAAP and tax balance sheets are compared. Deferred income tax assets and liabilities are recognized for the future tax consequence of temporary differences between financial statement carrying amounts and income tax basis of assets and liabilities.

The Company determines whether it is more-likely-than-not that a tax position will be sustained upon examination by the appropriate taxing authorities before any part of the benefit can be recorded in the financial statements. The amount of tax benefit recognized for an uncertain tax position is the largest amount of benefit that is greater than 50 percent likely of being realized upon settlement. Unrecognized tax benefits are included within the Statement of Financial Condition and are charged to earnings in the period that such determination is made. The Company classifies interest and penalties related to tax uncertainties as "income tax expense" in the accompanying Statement of Operations.

### **3. Related Party Transactions**

A significant portion of the Company's revenues and expenses relate to transactions with Guardian Life and its affiliates.

Pursuant to an expense sharing agreement, Guardian Life charges the Company on a monthly basis for the services of certain employees of Guardian Life engaged in the Company's business and for the Company's use of Guardian Life's centralized services. The Company settles those transactions with Guardian Life on a monthly basis. During 2023, the amounts charged for these services amounted to \$58,869,732 which is comprised of general and administrative expenses, as defined in Note 2 of \$56,829,505 and payroll and sales taxes of \$2,040,227. The Due to Guardian Life under this agreement was \$8,959,073.

Refer to Note 5 for Income Tax related party transactions.

During the year, the Company earned revenues of \$14,170,614 from GIAC for sales of GIAC's variable annuity and variable life insurance products, which is included in Commissions. The receivable for such revenues was \$134,311 and is included in Commissions receivable.

**Park Avenue Securities LLC**  
**Notes to Financial Statements (continued)**  
**December 31, 2023**  
**(Confidential treatment requested)**

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**4. Fair Value of Financial Instruments**

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements are based on observable and unobservable inputs. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Company's view of market assumptions based on internally developed data in the absence of observable market information. The guidance requires entities to maximize the use of observable inputs and minimize the use of unobservable inputs when determining the fair value of an asset or liability. The statement classifies all assets and liabilities carried or disclosed at fair value in one of the following three categories:

Level 1 – inputs are quoted market prices available in active markets for identical assets or liabilities on the reporting date.

Level 2 – inputs are quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active and model derived valuations whose inputs are observable or whose significant value drivers are observable.

Level 3 – significant inputs are unobservable where there is little or no market activity for the asset or liability and the Company makes estimates and assumptions based on internally derived information and other analytical techniques.

In determining fair value, the carrying value of Cash and cash equivalents, Cash segregated in compliance with federal and other regulations, receivable from broker-dealer, commissions receivable and payables arising in the ordinary course of business approximate fair value because of the relatively short period of time between their origination and expected maturity or because we expect the assets and liabilities to be settled within a period of one year. There were no level 3 assets or liabilities carried at fair value as of December 31, 2023.

**5. Income Taxes**

A summary of the net income tax expense included in the accompanying Statement of Operations is as follows:

<b>Income Tax Expense</b>	<b>2023</b>
Current federal income tax expense	\$ 14,608,691
Current state income tax expense	75,259
Total current income tax expense	14,683,950
Deferred federal income tax benefit	(200,689)
<b>Total income tax expense</b>	<b>\$ 14,483,261</b>

**Park Avenue Securities LLC**  
**Notes to Financial Statements (continued)**  
**December 31, 2023**  
**(Confidential treatment requested)**

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The Company's Income Tax expense for the year ended December 31, 2023 differs from the amount computed by applying the expected federal income tax rate of 21% to income before income taxes for the following reasons:

	<u>2023</u>	<u>Effective Rate</u>
Income tax expense at the statutory rate	\$ 14,383,549	21.00%
Permanent differences:		
Other	\$ 99,712	0.15%
<b>Total income tax expense</b>	<b><u>\$ 14,483,261</u></b>	<b><u>21.15%</u></b>

As of December 31, 2023, the Company had no unrecognized tax benefits or related interest expenses.

The components of the net deferred tax asset as of December 31, 2023, were as follows:

<b>Deferred Tax Assets</b>	<u>2023</u>
Reserve for Litigation	\$ 525
Allowance for Bad Debt	477,801
Deferred Revenue	40,950
<b>Total Deferred Tax Assets</b>	<b><u>\$ 519,276</u></b>
<b>Deferred Tax Liabilities</b>	
Unrealized Gains	\$ 6,677
<b>Total Deferred Tax Liabilities</b>	<b><u>\$ 6,677</u></b>
<b>Net Deferred Tax Assets</b>	<b><u>\$ 512,599</u></b>

Deferred income taxes are generally recognized, based on enacted tax rates, when assets and liabilities have different values for financial statement and tax purposes.

A valuation allowance is recorded if it is more likely than not that some portion or all of the deferred tax asset will not be realized. The Company's management has concluded that the deferred tax assets are more likely than not to be realized. Therefore, no valuation allowance has been provided.

At December 31, 2023, the Company recorded a current income tax recoverable of \$440,099 due from Guardian Life in the accompanying Statement of Financial Condition and is included in Amounts due from Guardian Life.

The Inflation Reduction Act was enacted into law on August 16, 2022. This provision imposes a 15% Corporate Alternative Minimum Tax ("CAMT") on adjusted financial statement income ("AFSI") for applicable corporation with average annual AFSI over a three-year period in excess of \$1 billion

**Park Avenue Securities LLC**  
**Notes to Financial Statements (continued)**  
**December 31, 2023**  
**(Confidential treatment requested)**

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effective for taxable years beginning after December 31, 2022. As of December 31, 2023 management has determined that Guardian Life and its subsidiaries is not subject to CAMT in 2023.

Guardian Life files U.S. federal income tax returns along with various state and local income tax returns. The Company's federal income tax returns are routinely examined by the Internal Revenue service ("IRS") and provisions are made in the financial statements in anticipation of the results of these audits. Tax years 2015 through 2022 are subject to examination by the IRS. The Company believes that it has established adequate tax liabilities for uncertain tax positions for all open years.

**6. Regulatory Requirements**

The Company is subject to the Uniform Net Capital requirements of the SEC under Rule 15c3-1, which requires that the Company maintain net capital equal to the greater of \$250,000 or 6 2/3% of aggregate indebtedness. The Company had net capital of \$73,547,573 which was \$71,709,553 above the \$1,838,020 required to be maintained. The ratio of aggregate indebtedness to net capital was 0.37 to 1. The Company claims an exemption from Rule 15c3-3 of the Securities Exchange Act of 1934 under paragraphs (k)(2)(i) and (k)(2)(ii) of that rule. The Company is also subject to 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: (1) proprietary trading; (2) effecting securities transactions via subscriptions on a subscription way basis where the funds are payable to the issuer or its agent and not to the Company.

**7. Off-Balance Sheet Risk**

In the normal course of business, securities transactions of customers are introduced and cleared through a third-party clearing broker. Pursuant to an agreement between the Company and the clearing broker, the clearing broker has the right to charge the Company for certain losses that result from transactions with such customers.

Direct customer transactions executed by third party sponsors on behalf of the customers may expose the Company to off-balance-sheet risk in the event the customer is unable to fulfill its contractual obligations and the Company has to sell the investment product at a loss.

The Company's policy is to monitor its customer and counterparty risk through the use of a variety of credit exposure reporting and control procedures, including reviewing, as considered necessary, the credit standing of each counterparty and customer with which it conducts business.

The Company, in its normal course of business, may enter into other legal contracts that contain several of these representations and warranties which provide general indemnifications. The Company's maximum exposure under these arrangements is unknown as this would involve future claims that may be against the Company that have not yet occurred. However, based on its experience, the Company expects the risk of loss to be remote.

**8. Contingencies**

The Company may be engaged in various disputes, litigations, governmental regulatory inquiries and other proceedings arising out of its business operations. These matters could result in losses,

**Park Avenue Securities LLC**  
**Notes to Financial Statements (continued)**  
**December 31, 2023**  
**(Confidential treatment requested)**

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monetary damages, fines penalties or changes in the business operations of the Company. Due to the uncertainties inherent in these disputes, it is difficult to determine the ultimate loss the Company will experience. The Company evaluates each matter and establishes an accrual where a loss is probable, and the amount can be reasonably estimated.

The Company also evaluates these matters for a reasonably possible range of loss. Due to the uncertainties inherent in these matters, such as timing of discovery and court decisions, the Company is not able to ascertain a reasonably possible range of loss for each matter. In the opinion of Management, as of December 31, 2023, the aggregate range of reasonably possible loss for those matters it is able to provide an estimate for is not material to the Company's financial position.

**9. Subsequent Events**

The Company considers events occurring after the Statement of Financial Condition date but prior to February 26, 2024, the issuance date of the financial statements, to be subsequent events. There were no subsequent events through February 26, 2024, the date the financial statements were available to be issued that affect the Company's financial statement or require additional disclosure.



**Park Avenue Securities LLC**  
**Computation of Net Capital Pursuant to**  
**Uniform Net Capital Rule 15c3-1 of the**  
**Securities Exchange Act of 1934**  
**December 31, 2023**  
**(Confidential treatment requested)**

**Schedule I**

**Computation of net capital**

Total Member's equity		\$	90,574,256
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**Allowable Credits**

Current tax liability	-		-
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**Deductions and/or charges**

Nonallowable assets			
Receivable from broker-dealer	2,371,311		
Receivable from registered representatives	2,845,811		
Commissions receivable	8,097,567		
Deferred tax asset	512,599		
Other assets	2,812,480		
Unsecured debits	30,774		
			16,670,542
Net capital before haircuts on securities positions			73,903,714

**Haircuts on securities positions**

Money market funds	356,141		
Undue concentration	-		
			356,141
Net capital		\$	73,547,573

**Computation of basic net capital requirement**

Minimum net capital required (the greater of 6 2/3% of total aggregate indebtedness or \$250,000)			1,838,020
Excess net capital		\$	71,709,553

**Computation of aggregate indebtedness**

Total liabilities		\$	27,570,284
Total aggregate indebtedness		\$	27,570,284

Ratio of aggregate indebtedness to net capital	0.37 to 1
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There were no material differences between the above computation and the computation included in the Company's unaudited Form X-17A-5 FOCUS Part IIA report filed on January 22, 2024.

**Park Avenue Securities LLC**  
**Computation for Determination of Reserve Requirements**  
**for Broker-Dealers and Information for Possession**  
**or Control Requirements Under Rule 15c3-3 of the**  
**Securities Exchange Act of 1934**  
**December 31, 2023**  
**(Confidential treatment requested)**

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**Schedule II**

Computation for determination of reserve requirements and information relating to the possession or control requirements pursuant to Rule 15c3-3 are not included in this supplemental schedule, as the Company claims an exemption from Rule 15c3-3 of the Securities Exchange Act of 1934 under paragraphs (k)(2)(i) and (k)(2)(ii) of that rule and the Company is relying on Footnote 74 of the SEC Release No. 34-70073 adopting amendments to 17 C.F.R. § 240.17a-5.



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

To Management of Park Avenue Securities LLC

We have reviewed Park Avenue Securities LLC's assertions, included in the accompanying Park Avenue Securities LLC's Exemption Report, in which:

(1) The Company identified 17 C.F.R. § 240.15c3-3(k)(2)(i) and (2)(ii) as the provisions under which the Company claimed an exemption from 17 C.F.R. § 240.15c3-3 (the "exemption provisions").

(2) The Company stated that it met the identified exemption provisions throughout the year ended December 31, 2023, except as described in its exemption report with respect to the following:

Customer funds and securities were not promptly transmitted to the clearing firm after receipt by Company representatives as follows:

<b>Month</b>	<b>Number of Exceptions</b>
January	79
February	63
March	87
April	78
May	64
June	54
July	58
August	64
September	58
October	31
November	47
December	36
<b>Total</b>	<b>719</b>

(3) The Company stated that it is also filing its Exemption Report because the Company's other business activities contemplated by Footnote 74 of the SEC Release No. 34-70073 adopting amendments to 17 C.F.R. § 240.17a-5 are limited to (1) proprietary trading; and (2) effecting securities transactions via subscriptions on a subscription way basis where the funds are payable to the issuer or its agent and not to the Company, and the Company (1) did not directly or indirectly receive, hold, or otherwise owe funds or securities for or to customers, (other than funds received and promptly transmitted for effecting transactions via subscriptions on a subscription way basis where the funds are payable to the issuer or its agent and not to the Company); (2) did not carry accounts of or for customers; and (3) did not carry PAB accounts (as defined in Rule 15c3-3) throughout the year ended December 31, 2023, except as described in its exemption report with respect to the following:

Customer funds and securities were not promptly transmitted to the issuer after receipt by Company representatives as follows:



Month	Number of Exceptions
January	10
February	9
March	13
April	6
May	5
June	7
July	1
August	9
September	2
October	8
November	4
December	2
Total	<hr/> 76

The Company's management is responsible for the assertions and for compliance with the identified exemption provisions and the provisions of Footnote 74 of the SEC Release No. 34-70073 adopting amendments to 17 C.F.R. § 240.17a-5 throughout the year ended December 31, 2023. Our review did not extend to the statements made in Appendix A to the Company's Exemption Report.

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 and the provisions of Footnote 74 of the SEC Release No. 34-70073 adopting amendments to 17 C.F.R. § 240.17a-5. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on management's assertions. 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 assertions referred to above for them to be fairly stated, in all material respects, based on the provisions set forth in paragraph (k)(2)(i) and (2)(ii) of 17 C.F.R. § 240.15c3-3 and the provisions of Footnote 74 of the SEC Release No. 34-70073 adopting amendments to 17 C.F.R. § 240.17a-5.

*PricewaterhouseCoopers LLP*

New York, NY  
February 26, 2024



10 Hudson Yards  
New York, NY 10001

### **Park Avenue Securities LLC's Exemption Report**

Park Avenue Securities LLC (the "Company") is a registered broker-dealer subject to Rule 17a-5 promulgated by the Securities and Exchange Commission (17 C.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)(1) and (4). To the best of its knowledge and belief, the Company states the following:

(1) The Company claimed exemption from 17 C.F.R. § 240.15c3-3 under the following provisions of 17 C.F.R. § 240.15c3-3 (k): (2)(i) and (2)(ii)

(2) The Company met the identified exemption provisions in 17 C.F.R. § 240.15c3-3(k) throughout the most recent fiscal year ended December 31, 2023, except for those items described below:

Customer funds and securities were not promptly transmitted to the clearing firm after receipt by Company representatives as follows:

<b>Month</b>	<b>Number of Exceptions</b>
January	79
February	63
March	87
April	78
May	64
June	54
July	58
August	64
September	58
October	31
November	47
December	36
<b>Total</b>	<b>719</b>

(3) The Company is also filing this Exemption Report because the Company's other business activities contemplated by Footnote 74 of the SEC Release No. 34-70073 adopting amendments to 17 C.F.R. § 240.17a-5 are limited to: (1) proprietary trading; and (2) effecting securities transactions via subscriptions on a subscription way basis where the funds are payable to the issuer or its agent and not to the Company; and the Company (1) did not directly or indirectly receive, hold, or otherwise owe funds or securities for or to customers, (other than funds received and promptly transmitted for effecting transactions via subscriptions on a subscription way basis where the funds are payable to the issuer or its agent and not to the Company); (2) did not carry accounts of or for customers; and (3) did not carry PAB accounts (as defined in Rule 15c3-3) throughout the most recent fiscal year, except as described below:

#### **Park Avenue Securities LLC**

PAS is a wholly owned subsidiary of Guardian Life Insurance Company of America, New York NY.  
PAS is a member of FINRA, SIPC

Customer funds and securities were not promptly transmitted to the issuer after receipt by Company representatives as follows:

<b>Month</b>	<b>Number of Exceptions</b>
January	10
February	9
March	13
April	6
May	5
June	7
July	1
August	9
September	2
October	8
November	4
December	2
Total	<hr/> 76

I, Marianne Caswell, affirm that, to my best knowledge and belief, this Exemption Report is true and correct.

Park Avenue Securities LLC



Marianne Caswell  
President

February 26, 2024

**Park Avenue Securities LLC**

PAS is a wholly owned subsidiary of Guardian Life Insurance Company of America, New York NY.  
PAS is a member of FINRA, SIPC

## **Appendix A**

The firm transmitted 95% of customer funds and securities on the day of receipt. Of the 795 exceptions, 68% of customer funds and securities were transmitted one (1) business day after receipt, a portion of which may have been transmitted by noon. The remaining 32% of exceptions were transmitted more than one (1) business day after receipt for such reasons as ongoing suitability reviews, information missing from account opening documents or office closures due to weather.

This Appendix A is not covered by the review report of PricewaterhouseCoopers LLP.