

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

ANNUAL REPORTS
FORM X-17A-5
PART III

OMB APPROVAL
OMB Number: 3235-0123
Expires: Oct. 31, 2023
Estimated average burden hours per response: 12

SEC FILE NUMBER
8-53535

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 01/01/21 AND ENDING 12/31/21
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF FIRM: Seaport Global 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.)

360 Madison Avenue, 22nd Floor
(No. and Street)
New York NY 10017
(City) (State) (Zip Code)

PERSON TO CONTACT WITH REGARD TO THIS FILING

Markus Witthaut 212-616-7710 MWitthaut@seaportglobal.com
(Name) (Area Code – Telephone Number) (Email Address)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose reports are contained in this filing*

Laporte, A Professional Accounting Corporation
(Name – if individual, state last, first, and middle name)
5100 Village Walk, Suite 300 Covington LA 70433
(Address) (City) (State) (Zip Code)
10/16/2003 601
(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.

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, Markus Witthaut, swear (or affirm) that, to the best of my knowledge and belief, the financial report pertaining to the firm of Seaport Global Securities, as of December 31, 2021, 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: _____

Kirk A. Mullen
Notary Public



Title: _____

CCO/FINOP

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 (as defined in § 210.1-02 of Regulation S-X).
- ☒ (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.**

SEAPORT GLOBAL SECURITIES LLC

Audit of Financial Statements

December 31, 2021

(With Supplementary Information)

This report is deemed CONFIDENTIAL in accordance with Rule 17a-5(e)(3) under the Securities Exchange Act of 1934. A statement of financial condition bound separately has been filed with the Securities and Exchange Commission simultaneously herewith as a PUBLIC document.

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Report of Independent Registered Public Accounting Firm

To the Member and Board of Managers
Seaport Global Securities LLC

Opinion on the Financial Statements

We have audited the accompanying statement of financial condition of Seaport Global Securities LLC (the Company) as of December 31, 2021, the related statements of operations, changes in member's equity, changes in liabilities subordinated to claims of general creditors, and cash flows for the year then ended, and the related notes to the financial statements (collectively, the financial statements). In our opinion, the financial statements, referred to above, present fairly, in all material respects, the financial position of the Company as of December 31, 2021, and the results of its operations and its cash flows for the year ended December 31, 2021, 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 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 supplementary information contained in Schedules I, II, III, and IV (the Supplemental Information) has been subjected to audit procedures performed in conjunction with the audit of Seaport Global Securities LLC's financial statements. The Supplemental Information is the responsibility of Seaport Global 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 supplementary information contained in Schedules I, II, III, and IV is fairly stated, in all material respects, in relation to the financial statements as a whole.

A handwritten signature in cursive script, appearing to read "LaPorte".

A Professional Accounting Corporation

We have served as the Company's auditor since 2009.

Covington, LA
February 23, 2022

SEAPORT GLOBAL SECURITIES LLC
Statement of Financial Condition
December 31, 2021

Assets

Cash and Cash Equivalents	\$ 5,403,565
Receivables from Clearing and Depository Organizations	52,332,786
Securities Owned, at Fair Value	22,559,044
Accounts Receivable, Net	4,282,037
Prepaid Expenses	864,430
Deposits with Clearing Organizations	<u>1,226,033</u>

Total Assets	<u>\$ 86,667,895</u>
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Liabilities and Member's Equity

Liabilities

Securities Sold, Not Yet Purchased, at Fair Value	\$ 15,286,847
Accounts Payable	9,138,088
Accrued Liabilities	1,768,923
Due to Broker	<u>778,794</u>

Total Liabilities	26,972,652
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Member's Equity	<u>59,695,243</u>
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Total Liabilities and Member's Equity	<u>\$ 86,667,895</u>
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The accompanying notes are an integral part of these financial statements.

SEAPORT GLOBAL SECURITIES LLC
Statement of Operations
For the Year Ended December 31, 2021

Revenues

Principal Transactions, Realized and Unrealized Net Gains and Losses	\$ 120,417,531
Commissions	32,730,711
Underwriting Fees	22,592,775
Advisory Income	8,359,374
Interest and Dividend Income	920,809
Other	485,048

Total Revenues	185,506,248
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Expenses

Employee Compensation and Benefits	125,846,341
Floor Brokerage and Clearing Fees	7,012,485
Technology and Communications Expense	5,111,314
Occupancy and Equipment Expense	4,547,071
Professional Fees	3,243,572
Regulatory Fees and Expenses	1,595,713
Dues and Subscriptions	1,308,043
Travel and Entertainment	966,318
Underwriting Costs	267,047
Interest Expense	1,254,681
Other Operating Expenses	8,481,631

Total Expenses	159,634,216
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Net Income	\$ 25,872,032
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The accompanying notes are an integral part of these financial statements.

SEAPORT GLOBAL SECURITIES LLC
Statement of Changes in Member's Equity
For the Year Ended December 31, 2021

Balance - December 31, 2020	\$ 60,823,211
Net Income	25,872,032
Distributions to Member	<u>(27,000,000)</u>
Balance - December 31, 2021	<u>\$ 59,695,243</u>

The accompanying notes are an integral part of these financial statements.

SEAPORT GLOBAL SECURITIES LLC
Statement of Changes in Liabilities
Subordinated to Claims of General Creditors
For the Year Ended December 31, 2021

Subordinated Liabilities - Beginning of Year	\$ -
Increases	
Issuances of Subordinated Notes	-
Decreases	
Payment of Subordinated Notes	-
Subordinated Liabilities - End of Year	<u><u>\$ -</u></u>

The accompanying notes are an integral part of these financial statements.

SEAPORT GLOBAL SECURITIES LLC
Statement of Cash Flows
For the Year Ended December 31, 2021

Cash Flows from Operating Activities

Net Income	\$ 25,872,032
Adjustments to Reconcile Net Income to Net	
Cash Provided by Operating Activities	
Unrealized Gain on Securities Owned	(535,747)
(Increase) Decrease in:	
Receivables from Clearing and Depository Organizations	1,725,046
Securities Owned	(4,990,175)
Accounts Receivable	1,029,105
Prepaid Expenses	153,627
Increase (Decrease) in:	
Securities Sold, not yet Purchased	(173,940)
Accounts Payable	2,876,262
Accrued Liabilities	1,062,621
Due to Broker	778,794

Net Cash Provided by Operating Activities 27,797,625

Cash Flows from Financing Activities

Distributions to Member	<u>(27,000,000)</u>
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Net Cash Used in Financing Activities (27,000,000)

Net Increase in Cash and Cash Equivalents 797,625

Cash and Cash Equivalents, Beginning of Year 5,831,973

Cash and Cash Equivalents, End of Year \$ 6,629,598

Supplemental Disclosure of Cash Flow Information

Interest Paid	<u><u>\$ 1,254,681</u></u>
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The following presents our cash, cash equivalents and restricted cash by category within the Statement of Financial Condition:

Cash and Cash Equivalents	\$ 5,403,565
Deposit with Clearing Organizations	<u>1,226,033</u>
Total cash, cash equivalents and restricted cash	<u><u>\$ 6,629,598</u></u>

The accompanying notes are an integral part of these financial statements.

SEAPORT GLOBAL SECURITIES LLC
Notes to the Financial Statements

Note 1. Summary of Significant Accounting Policies

Organization and Nature of Business

Seaport Global Securities LLC (Seaport) (the Company), is a broker-dealer registered with the Securities and Exchange Commission (SEC), and the Financial Industry Regulatory Authority (FINRA). The Company was formed under the Limited Liability Company laws of the State of Delaware on May 4, 2001 and is a wholly owned subsidiary of Seaport Global Holdings LLC (Parent).

The Company is a full service, mid-sized investment bank that offers capital markets advisory, sales, trading and research services across the credit-risk spectrum. The Company pairs extensive knowledge and relationships in energy, industrials, shipping and chemicals/refining industries, with equity and fixed income sales, trading and research. The Company also offers investment banking services including underwriting of newly-issued equity securities and mergers, acquisitions and restructuring advisory services. The existing client base consists of large institutions and funds that manage in excess of \$100 million.

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

The Company defines cash equivalents for cash flow purposes as highly liquid investments purchased with original maturities of less than ninety days that are not held for sale in the ordinary course of business.

Deposits with Clearing Organizations

Certain exchange and/or clearing organizations require cash and/or securities to be deposited by us to conduct day-to-day activities.

Receivables from Clearing and Depository Organizations

Receivables from clearing and depository organizations represent uncollected commissions and fees due from other brokers.

Accounts Receivable

Accounts receivable are carried at original invoice amount. Management determines if an allowance for doubtful accounts is necessary by regularly evaluating individual customer receivables and considering a customer's financial condition, credit history, and current economic conditions. As of December 31, 2021 the allowance for doubtful accounts amounted to \$3,458.

Revenue Recognition

The Company follows Accounting Standards Codification 606, ("ASC" 606) Revenue from Contracts with Customers. The accounting policies are stated below.

Note 1. Summary of Significant Accounting Policies (Continued)

Revenue Recognition (Continued)

Principal Transactions. Gains and losses from proprietary securities transactions, and the related revenues and expenses, are recorded on a trade date basis. Securities owned, held at clearing broker and securities sold, not yet purchased, are valued at market with related unrealized gains and losses included in income.

Commissions. Securities transactions and related commission revenues and expenses are recorded and recognized on a trade date basis as securities transactions occur. In addition, certain customers have a soft dollar arrangement whereby a third party allocates a portion of their gross commissions to pay for research products and services. The Company acts as an agent in these soft dollars arrangements and the revenues are accounted for on the accrual basis of accounting and included in commissions.

Underwriting Fees. Investment banking revenues include fees from securities offerings in which the Company acts as a principal. Capital markets services include underwriting and placement agent services in both the equity and debt capital markets, including private equity placements, initial public offerings, and follow-on offerings. Underwriting and placement fees are recognized at a point in time on a trade date basis as the client obtains control and benefit of the capital markets offering at that point.

Advisory Income. Investment banking advisory fees from mergers and acquisitions engagements are recognized at a point in time when the transaction is completed. Advisory income from restructuring engagements are recognized over time using a time elapsed measure of progress as the customer receives and consumes the benefit of the services. A significant portion of our advisory services fees are considered variable as they are contingent upon a future event and are excluded from the transaction price until the uncertainty associated with the variable consideration is subsequently resolved, which is expected to occur upon achievement of the specified milestone. Costs associated with advisory engagements are expensed as incurred and recorded on a gross basis within the applicable expense category on the Statement of Operations and any expenses reimbursed by the client are recognized in Advisory Income on the Statement of Operations.

Interest and Dividend Income. The Company records net interest and dividend income on Securities Owned, held at clearing broker and Securities Sold, Not Yet Purchased, as it is received or paid.

Underwriting Costs. Costs associated with underwritings are recognized on a gross basis in Underwriting Costs on the Statement of Operations at the time the related revenue is recorded. Any expenses reimbursed by the client are recognized in Underwriting Costs on the Statement of Operations.

Income Taxes

The Company is a disregarded entity for income tax purposes. Under this election, taxable income or loss of the Company flows to the parent and is included in the tax returns of the parent.

Note 1. Summary of Significant Accounting Policies (Continued)

Risks and Uncertainties

The Company invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term, and that such changes could materially affect the Company's balances and the amounts reported in the Statement of Financial Condition.

Securities not readily marketable include private equity, investment securities (a) for which there is no market on a securities exchange or no independent publicly quoted market, (b) that cannot be publicly offered or sold unless registration has been effected under the Securities Act of 1933, or (c) that cannot be offered or sold because of other arrangements, restrictions, or conditions applicable to the securities or the Company.

The Company had amounts on deposit at a bank at December 31, 2021 of \$5,403,565, which exceed the \$250,000 federally insured limits by \$5,153,565. Additionally, the Company had amounts on deposit at the brokerage firms of \$53,558,819, which exceed the \$250,000 securities investor protection limits by \$52,587,980. The Company monitors cash balances, and the quality of the four institutions that it utilizes, on an ongoing and continuous basis to manage its risk with respect to cash.

The Company is engaged in various trading and brokerage activities in which counterparties primarily include broker-dealers, banks, and other financial institutions. In the event counterparties do not fulfill their obligations, the Company may be exposed to risk. The risk of default depends on the creditworthiness of the counterparty or issuer of the instrument. It is the Company's policy to review, as necessary, the credit standing of each counterparty.

Interest Expense

Interest is charged on cash accounts held with the Company's clearing broker that have negative balances. Interest is charged at prime and is remitted monthly upon clearing trades and other related costs. For the year ended December 31, 2021, the Company incurred approximately \$1,254,681 in interest charges.

Foreign Currency Transactions

Periodically, the Company engages in foreign security transactions that may result in transaction gains and losses. These transactions occur in the normal course of business and are recorded with each transaction. The resulting gains or losses do not have a significant effect on the Statement of Operations.

Future Accounting Standards

Financial Instruments - Credit Losses

In June 2016, the FASB issued ASU 2016-13, Financial Instruments - Credit Losses, ("ASU 2016-13"). ASU 2016-13 changes the impairment model for most financial assets and certain other instruments, including trade and other receivables, held-to-maturity debt securities and loans, and requires entities to use a new forward-looking expected loss model that will result in the earlier recognition of allowance for losses. This update is effective for fiscal years beginning after December 15, 2022. Early adoption is permitted for a fiscal year beginning after December 15, 2018, including interim periods within that fiscal year.

Note 1. Summary of Significant Accounting Policies (Continued)

Future Accounting Standards (Continued)

Financial Instruments - Credit Losses (Continued)

Entities will apply the standard's provisions as a cumulative-effect adjustment to retained earnings as of the beginning of the first reporting period in which the guidance is adopted. We will adopt the new standard in 2023. We have evaluated the impact of this standard on our financial statements, including accounting policies, processes and systems. Based on the nature of the Company's customer base and historical nature of losses, we do not expect the impact to be material upon adoption.

Note 2. Receivables from Clearing and Depository Organizations

The Company's receivables from its clearing and depository organizations includes amounts receivable from unsettled trades, including amounts related to futures and options on futures contracts executed on behalf of customers, amounts receivable for securities failed to deliver, accrued interest receivables and cash deposits. The Company's trades and contracts are cleared through a clearing organizations and settled daily between the clearing organization and the Company. Because of this daily settlement, the amount of unsettled credit exposures is limited to the amount owed the Company for a very short period of time. The Company continually reviews the credit quality of its counterparties.

As of December 31, 2021, the Company was due through its clearing and depository organizations approximately \$52,332,786. The Company clears certain of its proprietary and customer transactions through broker-dealers on a fully disclosed basis.

Note 3. Deposits with Clearing Organizations

The Company maintains clearing agreements with three broker dealers and has deposits of \$1,200,000. Deposits of \$500,000 are held in an interest bearing account and deposits of \$700,000 do not carry interest as required by the agreements. Amounts held on deposit are restricted from use until the agreements are terminated.

Note 4. Fair Value of Financial Instruments

The Company's financial assets and liabilities are carried at fair value or are carried at amounts which approximate fair value if the market value of such items is not materially sensitive to shifts in market interest rates due to the limited term to maturity of these instruments. Security positions resulting from proprietary trading are measured at fair value. Any unrealized gains or losses resulting from marking these instruments to fair value are included in profit or loss. Net unrealized gains and losses on securities held as of December 31, 2021 amount to a gain of approximately \$535,747.

The fair value of fixed-income securities owned that were purchased at a discount or premium comprises accreted interest income, changes in the fair value of securities, or both.

Note 4. Fair Value of Financial Instruments (Continued)

The Company defines fair value, under the authoritative standards which establishes a framework for measuring fair value, and a fair value hierarchy which prioritizes the inputs to valuation techniques. Fair value is 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. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market. Valuation techniques that are consistent with the market, income or cost approach, as specified by the standards are used to measure fair value.

The three levels of the fair value hierarchy are as follows:

Level 1: Inputs are unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2: Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from, or corroborated by, observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs are unobservable and significant to the fair value measurement of the asset or liability, and in certain cases, rely on management's own assumptions about the assumptions that market participants would use in pricing the asset or liability. The unobservable inputs should be developed based on the best information available in the circumstances and may include the Company's own data.

The asset or liability's fair value measurement level within the fair value hierarchy is based upon the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the unobservable inputs.

The following is a description of the valuation methods used for assets measured at fair value. There have been no changes in the methods used at December 31, 2021.

- **US government securities:** Valued at the closing price reported in the active market in which the individual securities are traded.
- **Corporate bonds:** Certain corporate bonds are valued at the closing price reported in the active markets in which the bond is traded. Other corporate bonds are valued based upon yields currently available on comparable securities of issuers with similar credit ratings. Additionally certain bonds are estimated using recently executed transactions, market quotations (where observable), or bond spreads. If the spread data does not reference the issuer, then data that references a comparable issuer is used.

Note 4. Fair Value of Financial Instruments (Continued)

When observable price quotations are not available, fair value is determined by the Company by evaluating prices and indexes. Corporate bonds are generally categorized as Level 1 in the fair value hierarchy. In instances where significant inputs are unobservable, they are categorized as Level 3.

- **Common stock:** Certain common stock is valued at the closing price reported in the active market in which the individual securities are traded. Investments in certain restricted common stock is valued at the quoted market price of the issuer's unrestricted common stock, less an appropriate discount. If a quoted market price for unrestricted common stock of the issuer is not available, restricted common stock is valued at a multiple of current earnings less an appropriate discount. The multiple chosen is consistent with multiples of similar companies based on current market prices.
- **Options:** The market value is based on the closing price of the security as provided by the exchange or Options Clearing Corporation.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Additionally, although the Company believes its valuation methods are appropriate and consistent with other market participants, the use of different methods or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

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SEAPORT GLOBAL SECURITIES LLC
Notes to the Financial Statements

Note 4. Fair Value of Financial Instruments (Continued)

The following table presents the Company's fair value hierarchy for those assets and liabilities measured at fair value on a recurring basis as of December 31, 2021:

Assets	Level 1	Level 2	Level 3	Totals
US Government Securities	\$ 288,708	\$ -	\$ -	\$ 288,708
Corporate Bonds				
All A - Rated	-	-	-	-
All B - Rated	16,337,468	-	-	16,337,468
All C - Rated	775,891	-	-	775,891
All D - Rated	-	-	-	-
All Not Rated	1,952,956	-	165,276	2,118,232
Total Corporate Bonds	19,066,315	-	165,276	19,231,591
Airlines	82,100	-	-	82,100
Application Software	99	-	-	99
Banking	152,804	-	-	152,804
Cement & Aggregates	194,693	-	-	194,693
Chemicals	46,115	-	-	46,115
Energy	65,480	-	-	65,480
ETF	33,586	-	-	33,586
Exploration and Production	607,808	-	18,288	626,096
Finance	783,740	-	-	783,740
Forestry & Logging	1	-	-	1
Metals & Mining	235	-	-	235
Midstream - Oil & Gas	341,865	-	-	341,865
Mortgage Finance	23,010	-	-	23,010
Oilfield Services	57	-	-	57
Pharmaceuticals	353,598	-	-	353,598
REITs	97,586	-	-	97,586
Software	8,721	-	-	8,721
Trucking	158,649	-	-	158,649
Total Common Stock	2,950,147	-	18,288	2,968,435
Options	70,310	-	-	70,310
	\$ 22,375,480	\$ -	\$ 183,564	\$ 22,559,044
Liabilities	Level 1	Level 2	Level 3	Totals
US Government Securities	(12,816,072)	-	-	(12,816,072)
Corporate Bonds				
All A - Rated	(128,607)	-	-	(128,607)
All B - Rated	(2,134,785)	-	-	(2,134,785)
All C - Rated	(53,000)	-	-	(53,000)
All D - Rated	-	-	-	-
All Not Rated	-	-	-	-
Total Corporate Bonds	\$ (2,316,392)	\$ -	\$ -	\$ (2,316,392)
Common Stock				
Insurance	(8)	-	-	(8)
Trucking	(89,595)	-	-	(89,595)
Total Common Stock	(89,603)	-	-	(89,603)
Options	(64,780)	-	-	(64,780)
	\$ (15,286,847)	\$ -	\$ -	\$ (15,286,847)

SEAPORT GLOBAL SECURITIES LLC
Notes to the Financial Statements

Note 4. Fair Value of Financial Instruments (Continued)

There were no transfers between Level 1 and Level 2 during the year.

The table below sets forth a summary of changes in the fair value of the Company's level 3 investments for the year ended December 31, 2021.

	Corporate Bonds	Common Stock	Total
Securities Owned, at Fair Value - Opening balance	\$ 223,809	\$ 325,680	\$ 549,489
Total gains and losses for the period included in Principal Transactions, Realized and Unrealized Net Gains and Losses on the Statement of Operations	(23,533)	-	(23,533)
Purchases	-	7,487	7,487
Sales	(35,000)	(314,879)	(349,879)
Securities Owned, at Fair Value - Closing balance	<u>\$ 165,276</u>	<u>\$ 18,288</u>	<u>\$ 183,564</u>

The unobservable inputs used to value the Company's level 3 investments at fair value as of December 31, 2021 are as follows:

Assets (at fair value)	Fair Value	Valuation Technique	Unobservable Input(s)	Range (Weighted Average)
Corporate Bonds	\$165,276	Market Approach	Price (a)	0%
Common Stock	18,288	Market Approach	Price (a)	0%
	<u>\$183,564</u>			

(a) Represents amounts used that management has determined that market participants would use such multiples when pricing the investments.

Note 5. Revenue from Contracts with Customers

The following table presents revenue from contracts with customers separated by major source of revenue:

Commissions	\$ 32,730,711
Underwriting Fees:	
Placement Agent Fees	16,514,010
Underwriting Fees	<u>6,078,765</u>
	22,592,775
Advisory Income	8,359,374
Total revenue from contracts with customers	<u>\$ 63,682,860</u>

Note 5. Revenue from Contracts with Customers (Continued)

Retainers and fees received from customers prior to recognizing revenue are included in accrued liabilities. The transaction price allocated to remaining unsatisfied or partially unsatisfied performance obligations with expected duration not to exceed one year was zero at December 31, 2021. During the year ended December 31, 2021, we did not recognize revenue related to performance obligations satisfied or partially satisfied in previous periods. The timing of our revenue recognition may differ from the timing of payment by our customers. We record a receivable when revenue is recognized prior to payment and we have an unconditional right to payment. Alternatively, when payment precedes the provision of the related services we record deferred revenue until the performance obligations were satisfied. We had receivables related to revenues from contracts with customers of approximately \$3,164,540 at December 31, 2021. We had no significant impairments related to these receivables during the year ended December 31, 2021.

Note 6. Related Party Transactions

Services Agreement

The Company has a continuing service agreement with its Parent. The terms of the agreement grant the Company the right to use office space in addition to receiving the benefit of certain employment related and overhead costs incurred by the Parent.

In return, the Company pays a servicing fee, which is calculated based upon percentage of aggregate revenue that the Company generates and is allocated between the Parent's employment compensation and overhead cost areas.

For the year ended December 31, 2021, the Company incurred service agreement expenses included in cost of operations in the amount of approximately \$110,626,906 for direct and clearing expenses and approximately \$34,109,086 in other operating expenses. At December 31, 2021, the Company was obligated to its Parent in the amount of approximately \$8,708,074 which is included in accounts payable.

Clearing Agreements

The Company is responsible for any loss, liability, damage, cost, or expense incurred or sustained by the clearing agents as a result of the failure of any introduced account to make timely payment for securities purchased or timely and good delivery of securities sold. To date no such claims have been asserted, nor have such expenses been incurred.

Revenue Transactions

For the year ended December 31, 2021, related party revenues from affiliates included in Principal Transactions total \$1,211,327 and Underwriting Fees total \$1,532,500. As of December 31, 2021, receivables from affiliates classified as Accounts Receivable, Net on the Statement of Financial Condition, included \$690,127 from Seaport Group Europe LLC and \$63,438 from Seaport Gordian Energy LLC.

Note 7. Net Capital Requirements

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (Rule 15c3-1), which requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1. At December 31, 2021, the Company reflected net capital of approximately \$49,498,064, which was in excess of its required net capital of \$48,732,254. The Company's ratio of Aggregate Indebtedness to Net Capital was .23 to 1. Additionally, the Company reported haircuts on securities and undue concentrations amounting to approximately \$1,998,743.

Note 8. Commitments and Contingencies

Pending Litigation

The Company is both plaintiff and defendant in two separate legal proceedings currently pending in the Supreme Court of the State of New York. The Company denies any wrongdoing in these breach of contract cases and is vigorously prosecuting and defending, as applicable. Management believes that the disposition of these matters, individually or in the aggregate, will not have a material adverse effect on the financial position or the results of operations of the Company.

Note 9. Income Taxes

The Company accounts for income taxes in accordance with the provisions of the *Income Taxes* Topic of the FASB ASC (ASC 740). ASC 740 prescribes a recognition threshold and measurement attribute for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return, and also provides guidance on various related matters such as derecognition, interest, penalties, and disclosures required. The Company recognizes interest and penalties, if any, related to unrecognized tax benefits in income tax expense.

As stated in Note 1, taxable income or loss of the Company is included in the tax returns of its member. The Company's member files a U.S. federal income tax return and state income tax returns in several jurisdictions. Returns filed in these jurisdictions for tax years ended on or after December 31, 2018, are subject to examination by the relevant taxing authorities. The Company is currently under audit by New York City Department of Finance.

As of December 31, 2021, the Company had no uncertain tax positions.

Note 10. Subsequent Events

FASB ASC Topic 855, *Subsequent Events*, establishes general standards of accounting for and disclosure of events that occur after the balance sheet date but before financial statements are issued or are available to be issued. Specifically, it sets forth the period after the balance sheet date during which management of a reporting entity should evaluate events or transactions that may occur for potential recognition or disclosure in the financial statements, the circumstances under which an entity should recognize events or transactions occurring after the balance sheet date in its financial statements, and the disclosures that an entity should make about events or transactions that occurred after the balance sheet date.

In accordance with ASC 855, the Company evaluated subsequent events through February 23, 2022 the date these financial statements were available to be issued, and determined that the following event occurred that requires disclosure:

In January and February 2022, the Company made distributions to its member totaling \$11,750,000.

No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

SEAPORT GLOBAL SECURITIES LLC
Supplementary Information

Schedule I
Computation of Net Capital Under Rule 15c3-1 of
the Securities and Exchange Commission
For the Year Ended December 31, 2021

Net Capital	
Total Member's Equity	\$ 59,695,243
Add:	
Non-allowed Liabilities:	
Accrued Liabilities	198,668
	<u>198,668</u>
Deductions and/or Charges	
Non-allowed Assets:	
Prepaid Expenses	864,430
Other	4,764,875
Securities Not Readily Marketable	2,767,799
	<u>8,397,104</u>
Net Capital Before Haircuts on Securities Positions (tentative net capital)	\$ 51,496,807
Haircuts on Securities	
Debt Securities Long	(300,458)
Debt Securities Short	(1,184,389)
Options	(135,090)
Other Securities	(361,271)
Foreign Currency	(6,158)
Undue Concentration	(11,377)
	<u>(1,998,743)</u>
Net Capital	<u><u>\$ 49,498,064</u></u>
<u>Computation of Aggregate Indebtedness (A.I.)</u>	
Accounts Payable and Accrued Expenses	<u><u>\$ 11,487,138</u></u>
Ratio: Aggregate Indebtedness to Net Capital	<u><u>.23 to 1</u></u>

SEAPORT GLOBAL SECURITIES LLC
Supplementary Information

Schedule I, Continued
Computation of Net Capital Under Rule 15c3-1 of
the Securities and Exchange Commission
For the Year Ended December 31, 2021

Computation of Basic Net Capital Requirement

Minimum Net Capital Required (6-2/3% of A.I.)	<u>\$ 765,810</u>
Minimum Dollar Net Capital Requirement	<u>\$ 250,000</u>
Minimum Net Capital Requirement	<u>\$ 765,810</u>
Excess Net Capital	<u>\$ 48,732,254</u>
Net Capital less 10% of Aggregate Indebtedness	<u>\$ 48,349,350</u>

Statement Pursuant to 17a-5(d)(4)

There were no material differences between the net capital reported in the Company's unaudited Form X-17A-5 as of December 31, 2021 and the Company's audited financial statements as of December 31, 2021.

SEAPORT GLOBAL SECURITIES LLC
Supplementary Information

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

Seaport Global Securities LLC is exempt from the reserve requirements and the related computations for the determination thereof under paragraphs k(2)(i) and (ii) of Rule 15c3-3 under the Securities Exchange Act of 1934, as Seaport Global Securities LLC carries no margin accounts in connection with its activities as a broker or dealer, does not otherwise hold funds or securities for, or owe money or securities to customers.

During the year ended December 31, 2021, Seaport Global Securities LLC has maintained its compliance with the conditions for exemption specified in paragraphs k(2)(i) and (ii) of Rule 15c3-3.

Schedule III
Information Relating to Possession or Control
Requirements Under Rule 15c3-3 of the
Securities and Exchange Commission

Seaport Global Securities LLC is exempt from the reserve requirements and the related computations for the determination thereof under paragraphs k(2)(i) and (ii) of Rule 15c3-3 under the Securities Exchange Act of 1934, as Seaport Global Securities LLC carries no margin accounts in connection with its activities as a broker or dealer, does not otherwise hold funds or securities for, or owe money or securities to customers.

During the year ended December 31, 2021, Seaport Global Securities LLC has maintained its compliance with the conditions for exemption specified in paragraphs k(2)(i) and (ii) of Rule 15c3-3.

Schedule IV
Schedule of Segregation Requirements
and Funds in Segregation for Customers' Regulated
Commodity Futures and Options Accounts

Seaport Global Securities LLC is exempt from the reserve requirements and the related computations for the determination thereof under paragraphs k(2)(i) and (ii) of Rule 15c3-3 under the Securities Exchange Act of 1934, as Seaport Global Securities LLC carries no margin accounts in connection with its activities as a broker or dealer, does not otherwise hold funds or securities for, or owe money or securities to customers.

During the year ended December 31, 2021, Seaport Global Securities LLC has maintained its compliance with the conditions for exemption specified in paragraphs k(2)(i) and (ii) of Rule 15c3-3.



Seaport Global

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**SEAPORT GLOBAL SECURITIES LLC
EXEMPTION REPORT
DECEMBER 31, 2021**

Seaport Global 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 (ii)
- (2) The Company met the identified exemption provisions in 17 C.F.R. §240.15c3-3(k) throughout the most recent fiscal year without exception.

Seaport Global Securities LLC

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

By: 

Title: Chief Compliance Officer and FINOP

January 25, 2022

Review Report of Independent Registered Public Accounting Firm

To the Member and Board of Managers
Seaport Global Securities LLC

We have reviewed management's statements, included in the accompanying Seaport Global Securities LLC Exemption Report, in which (a) Seaport Global Securities LLC identified the following provisions of 17 C.F.R. § 240.15c3-3(k) under which Seaport Global Securities LLC claimed an exemption from 17 C.F.R. § 240.15c3-3: paragraphs (k)(2)(i) and (2)(ii) (the exemption provisions) and (b) Seaport Global Securities LLC stated that Seaport Global Securities LLC met the identified exemption provisions throughout the most recent fiscal year without exception. Seaport Global Securities LLC'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 Seaport Global 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 on the provisions set forth in paragraphs (k)(2)(i) and (k)(2)(ii) of 17 C.F.R. § 240.15c3-3.



A Professional Accounting Corporation

Covington, LA
February 23, 2022