

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

ANNUAL AUDITED REPORT
FORM X-17A-5
PART III

OMB APPROVAL
OMB Number: 3235-0123
Expires: October 31, 2023
Estimated average burden hours per response..... 12.00

SEC FILE NUMBER
8-53635

FACING PAGE
Information Required of Brokers and Dealers Pursuant to Section 17 of the
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder

REPORT FOR THE PERIOD BEGINNING 01/01/20 AND ENDING 12/31/20
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: The Securities Group, LLC

OFFICIAL USE ONLY

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

FIRM I.D. NO.

6465 North Quail Hollow, Suite 400

(No. and Street)

Memphis

TN

38120

(City)

(State)

(Zip Code)

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

Christie Michelle Vincent

901-328-4814

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Watkins Uiberall PLLC

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

1661 Aaron Brenner Drive, Suite 300

Memphis

TN

38130

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:



Certified Public Accountant



Public Accountant



Accountant not resident in United States or any of its possessions.

FOR OFFICIAL USE ONLY

*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

Potential persons who are to respond to the collection of
information contained in this form are not required to respond
unless the form displays a currently valid OMB control number.

OATH OR AFFIRMATION

I, Christie Michelle Vincent, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of The Securities Group, LLC, as of December 31, 2020, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

Christie Michelle Vincent
Signature

President
Title

[Signature]
Notary Public

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

- ☒ (a) Facing Page.
- ☒ (b) Statement of Financial Condition.
- ☒ (c) Statement of Income (Loss) or, if there is other comprehensive income in the period(s) presented, a Statement of Comprehensive Income (as defined in §210.1-02 of Regulation S-X).
- ☐ (d) Statement of Changes in Financial Condition.
- ☒ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- ☐ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☒ (g) Computation of Net Capital.
- ☒ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☒ (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- ☐ (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☐ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An Oath or Affirmation.
- ☐ (m) A copy of the SIPC Supplemental Report.
- ☐ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

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

THE SECURITIES GROUP, LLC

FINANCIAL STATEMENTS

DECEMBER 31, 2020

TABLE OF CONTENTS

	<u>Page</u>
REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM	1
FINANCIAL STATEMENTS	
Statement of Financial Condition	2
Statement of Income and Changes in Members' Equity	3
Statement of Cash Flows	4
Notes to Financial Statements	5
SUPPLEMENTARY INFORMATION	
Schedule I – Computation of Net Capital Under Rule 15c3-1	9
Schedule II – Computation for Determination of Reserve Requirements Under Rule 15c3-3 (Exemption)	10
Schedule III -- Information for Possession or Control Requirements Under Rule 15c3-3 (Exemption)	11
REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM	12
EXEMPTION REPORT	13

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Members
of The Securities Group, LLC

Opinion on the Financial Statements

We have audited the accompanying statement of financial condition of The Securities Group, LLC as of December 31, 2020, the related statements of income, changes in members' equity, and cash flows for the year then ended, and the related notes and schedules (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of The Securities Group, LLC as of December 31, 2020, 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 Securities Group, LLC's management. Our responsibility is to express an opinion on The Securities Group, 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 The Securities Group, 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 information on Schedules I, II, and III have been subjected to audit procedures performed in conjunction with the audit of The Securities Group, LLC's financial statements. The supplemental information is the responsibility of The Securities Group, 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 information is fairly stated, in all material respects, in relation to the financial statements as a whole.



We have served as The Securities Group, LLC's auditor since 2006.
Memphis, Tennessee
February 26, 2021

THE SECURITIES GROUP, LLC
STATEMENT OF FINANCIAL CONDITION
AS OF DECEMBER 31, 2020

ASSETS	
Current Assets:	
Cash and cash equivalents	\$ 120,735
Accounts receivable, less allowance for doubtful accounts	30,000
Other assets	4,968
Total Current Assets	<u>155,703</u>
Property and Equipment:	
Office furnishings and equipment	28,723
Less: accumulated depreciation	(21,980)
Total Property and Equipment	<u>6,743</u>
Total Assets	<u>\$ 162,446</u>
LIABILITIES AND MEMBERS' EQUITY	
Current Liabilities:	
Accounts payable	\$ 16,426
Due to related party	2,027
Total Current Liabilities	<u>18,453</u>
Members' equity:	<u>143,993</u>
Total Liabilities & Members' Equity	<u>\$ 162,446</u>

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

THE SECURITIES GROUP, LLC
STATEMENT OF INCOME AND CHANGES IN MEMBERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2020

Revenues:

Commissions	\$ 75,000
Interest income	26
Total Revenues	<u>75,026</u>

Expenses:

Administrative fees	16,659
Automobile	1,479
Computer & networking	12,432
Commissions	40,500
Depreciation	2,913
Guaranteed payments to members	10,000
Insurance	842
Taxes and licenses	11,869
Legal and professional	15,358
Rent	6,000
Telephone	1,594
Miscellaneous	3,914
Total Expenses	<u>123,560</u>

Net loss **(48,534)**

Members' equity, beginning of year 192,527

Members' equity, end of year **\$ 143,993**

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

THE SECURITIES GROUP, LLC
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2020

Cash Flows Provided By Operating Activities:	
Net Loss	\$ (48,534)
Adjustment to Reconcile Net Loss to Net Cash	
Provided By (Used For) Operating Activities:	
Depreciation	2,913
Change in Operating Assets and Liabilities:	
Increase (Decrease) in Cash and cash equivalents:	
Accounts receivable	5,033
Other assets	(2,464)
Accounts payable	(868)
Total adjustments	<u>4,614</u>
Net cash used for operating activities	(43,920)
Cash Flows Used For Investing Activities:	
Purchase of office furnishings and equipment	<u>(7,054)</u>
Net decrease in cash and cash equivalents	(50,974)
Cash and cash equivalents at beginning of year	<u>171,709</u>
Cash and cash equivalents at end of year	<u><u>\$ 120,735</u></u>

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

THE SECURITIES GROUP, LLC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Securities Group, LLC (a Florida limited liability company, the “Company”) began operations on August 1, 2001 and is a registered securities broker and dealer operating in the United States of America. The company was organized to sell healthcare securities and shall have a perpetual existence unless terminated as provided in the *Operating Agreement*. The Company has a single class of members. Except as expressly provided in the *Operating Agreement*, no member shall be required under any circumstances to contribute or lend any money or property to the Company beyond their initial capital contribution.

Method of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosures 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.

Revenue Recognition

Revenue from contracts with customers includes commission income and fees from selling healthcare securities on behalf of its customers through private placement offerings. The recognition and measurement of revenue is based on the assessment of individual contract terms. Significant judgment is required to determine whether performance obligations are satisfied at a point in time or over time; how to allocate transaction prices where multiple performance obligations are identified; when to recognize revenue based on the appropriate measure of the Company’s progress under the contract; and whether constraints on variable consideration should be applied due to uncertain future events. The Company believes that the performance obligation to recognize commission revenue is satisfied on the placement offering date because that is when the underlying purchaser is identified, the pricing is agreed upon and the risks and rewards of ownership have been transferred to/from the customer. Any additional commission revenue from offering extensions is recognized based on terms of each placement offering contract and the revenue can be reasonably estimated to be collected.

Concentrations and Credit Risks

The Company's credit risks relate to cash and cash equivalents. The Company maintains cash balances at a bank. Accounts are insured by the Federal Deposit Insurance Corporation up to an aggregate of \$250,000.

Two customers accounted for 100% of the Company's commission revenues for the year ended December 31, 2020.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Company considers all highly liquid debt instruments purchased with initial maturities of three months or less to be cash equivalents.

Property and Equipment

Property and equipment are stated at cost. Depreciation is provided according to the straight line method over the estimated useful lives of 3 to 5 years.

Income Taxes

No provision has been made for income taxes since the results of operations are included in the tax returns of the members.

Date of Management's Review

The Company evaluated its December 31, 2020 financial statements for subsequent events through February 26, 2021, the date the financial statements were available to be issued. The Company is not aware of any subsequent events which would require recognition or disclosure in the financial statements.

NOTE 2 – RELATED PARTY TRANSACTIONS

The company rents office space, furniture and equipment for \$500 per month on a month-to-month basis from a company in which a member has an ownership interest. Total related party rent expense for the year ended December 31, 2020 was \$6,000. The company also makes monthly payments to this related company for accounting and administrative services which totaled \$9,159 for the year and had a related party payable of \$2,027 for the services at year end.

NOTE 3 – NET CAPITAL REQUIREMENTS

The Company is subject to the Securities and Exchange Commission (SEC) 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, 2020, the Company had net capital of \$102,125, which was \$97,125 in excess of its required net capital of \$5,000 and its percentage of aggregate indebtedness to net capital was 18.07%.

NOTE 4 – POSSESSION OR CONTROL REQUIREMENTS

The Company is considered “Non-Covered Firm” exempt from 17 C.F.R. § 240.15c3-3 and is filing an Exemption Report relying on footnote 74 to SEC Release 34-70073, and as discussed in Q&A 8 of the related FAQ issued by the SEC staff. The Company limits its business activities exclusively to private placement of securities on a best efforts basis and direct participation programs on a best efforts basis.

The Company (1) 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; (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 without exception.

NOTE 5 – RETIREMENT PLAN

The Company sponsors a Simplified Employee Pension Plan under the provisions of section 408(k) of the Internal Revenue Code. The plan covers all employees who are at least 21 years of age and have performed at least three years of service. The company did not make any contributions to the plan for the year ended December 31, 2020.

NOTE 6 – COMMITMENTS AND CONTINGENCIES

As of December 31, 2020, the Company was not a party to and had no commitments, contingencies or guarantees outstanding.

SUPPLEMENTARY INFORMATION

THE SECURITIES GROUP, LLC

SCHEDULE I - COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1

AS OF DECEMBER 31, 2020

Total Members' Equity		\$	143,993
Deductions: Non-allowable assets			
Accounts Receivable	30,000		
Other assets	4,968		
Property and Equipment, net	6,743		
Haircut amount on CD	157		(41,868)
Net Capital			102,125
Less: minimum dollars net capital requirement			(5,000)
Excess Net Capital		\$	97,125
Total Aggregate Indebtedness		\$	18,453
Percentage of Aggregate Indebtedness to Net Capital			18.07%
Percentage of debt to debt-equity total computed in accordance with Rule 15c3-1(d)			0%
Reconciliation with Company's computation (included in Part II of Form X-17A-5 as of December 31, 2020):			
Excess net capital, as reported in Company's Part II unaudited Focus Report		\$	97,125
Net audit adjustments			-
Net Capital per above		\$	97,125

There is no material difference between the preceding computation and the Company's corresponding unaudited Part II of Form X-17A-5 as amended as of December 31, 2020.

THE SECURITIES GROUP, LLC

**SCHEDULE II – COMPUTATION FOR DETERMINATION OF RESERVE
REQUIREMENTS UNDER RULE 15C3-3 (EXEMPTION)**

AS OF DECEMBER 31, 2020

EXEMPTION PROVISIONS:

The Securities Group, LLC has no possession or control obligations under Rule 15c3-3(b) or reserve deposit obligations under Rule 15c3-3(e) because The Securities Group, LLC limits its business activities exclusively to private placement of securities on a best efforts basis and direct participation programs on a best efforts basis and The Securities Group, LLC (1) does not directly or indirectly receive, hold, or otherwise owe funds or securities for or to customers; (2) does not carry accounts of or for customers; and (3) does not carry PAB accounts (as defined in Rule 15c3-3).

THE SECURITIES GROUP, LLC

**SCHEDULE III - INFORMATION FOR POSSESSION OR CONTROL
REQUIREMENTS UNDER RULE 15C3-3 (EXEMPTION)**

AS OF DECEMBER 31, 2020

EXEMPTION PROVISIONS:

The Securities Group, LLC has no possession or control obligations under Rule 15c3-3(b) or reserve deposit obligations under Rule 15c3-3(e) because The Securities Group, LLC limits its business activities exclusively to private placement of securities on a best efforts basis and direct participation programs on a best efforts basis and The Securities Group, LLC (1) does not directly or indirectly receive, hold, or otherwise owe funds or securities for or to customers; (2) does not carry accounts of or for customers; and (3) does not carry PAB accounts (as defined in Rule 15c3-3).

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Members
of The Securities Group, LLC

We have reviewed management's statements, included in the accompanying Statement of Exemption Pursuant to Rule 15c3-3, in which (1) The Securities Group, LLC identified the following provisions of 17 C.F.R. 15c3-3(k) under which The Securities Group, LLC claimed an exemption from 17 C.F.R. §240.15c3-3: the Non-Covered Firm Provision, stating that the company (1) 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; (2) did not carry accounts of or for customers; and (3) did not carry PAB accounts (as defined in Rule 15c3-3). The Securities Group, LLC stated that The Securities Group, LLC met the identified exemption provisions throughout the most recent fiscal year without exception. The Securities Group, 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 The Securities Group, 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 paragraph (k) of Rule 15c3-3 under the Securities Exchange Act of 1934.



Memphis, Tennessee
February 26, 2021



THE SECURITIES GROUP, LLC

BROKER-DEALER ANNUAL EXEMPTION REPORT

DECEMBER 31, 2020

The Securities Group, LLC 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 Securities Group, LLC. states the following:

(1) The Company is considered "Non-Covered Firm" exempt from 17 C.F.R. § 240.15c3-3 and is filing an Exemption Report relying on footnote 74 to SEC Release 34-70073, and as discussed in Q&A 8 of the related FAQ issued by the SEC staff. The Company limits its business activities exclusively to private placement of securities on a best efforts basis and direct participation programs on a best efforts basis.

(2) The Company (1) 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; (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 without exception.

I, Christie Michelle Vincent, affirm that to my best knowledge and belief, this Exemption Report is true and correct.

Christie Michelle Vincent

Christie Michelle Vincent
President

2-26, 2021