

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:	August 31, 2020
Estimated average burden hours per response.....	12.00

SEC FILE NUMBER
8-53640

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 01/01/2017 AND ENDING 12/31/2017  
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: SCURA PALEY SECURITIES LLC

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

489 FIFTH AVENUE, 15TH FLOOR

(No. and Street)

NEW YORK

NY

10022

(City)

(State)

(Zip Code)

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

MICHAEL T MARRONE

646-930-1906

(Area Code – Telephone Number)

B. ACCOUNTANT IDENTIFICATION

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

GRASSI & CO., CPAs. P.C.

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

488 MADISON AVENUE

NEW YORK

NY

10022

(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)

## OATH OR AFFIRMATION

I, MARC PALEY, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of SCURA PALEY SECURITIES LLC, as of DECEMBER 31, 20 17, 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:

WILLIAM H. JOSEPH  
Notary Public, State of New York  
No. 021050225  
Qualified in New York  
Commission Expires 7/5 8/2021

Marc Paley  
Signature

CEO

Title

William H. Joseph  
Notary Public

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

- ☒ (a) Facing Page.
- ☒ (b) Statement of Financial Condition.
- ☐ (c) Statement of Income (Loss).
- ☐ (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).

**SCURA PALEY SECURITIES LLC**  
**STATEMENT OF FINANCIAL CONDITION**  
**AND REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**  
**DECEMBER 31, 2017**

---

SCURA PALEY SECURITIES LLC

CONTENTS

	<u>Page</u>
<u>Report of Independent Registered Public Accounting Firm</u>	1
<u>Financial Statement</u>	
Statement of Financial Condition at December 31, 2017	2
Notes to Financial Statement	3-5





## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Managing Member  
of Scura Paley Securities LLC

### Opinion on the Financial Statement

We have audited the accompanying statement of financial condition of Scura Paley Securities LLC ("the Company") as of December 31, 2017, and the related notes to the financial statement. In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position of the Company as of December 31, 2017 in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

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

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audit we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audit included performing procedures to assess the risks of material misstatement of the financial statement, 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 statement. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

*Grassi & Co., CPAs, P.C.*

GRASSI & CO., CPAs, P.C.

We have served as the Company's auditor since 2002.

New York, New York  
February 26, 2018

SCURA PALEY SECURITIES LLC  
STATEMENT OF FINANCIAL CONDITION  
DECEMBER 31, 2016

ASSETS

ASSETS		
Cash	\$	354,464
Fees receivable		650,806
Due from clearing firm		100,793
Property and equipment, net		32,639
Prepaid expenses		62,580
		<hr/>
TOTAL ASSETS	\$	<u>1,201,282</u>

LIABILITIES AND MEMBER'S EQUITY

LIABILITIES		
Accounts payable	\$	115,921
Accrued expenses		85,384
		<hr/>
TOTAL LIABILITIES		201,305
MEMBER'S EQUITY		<u>999,977</u>
TOTAL LIABILITIES AND MEMBER'S EQUITY	\$	<u>1,201,282</u>

The accompanying notes are an integral part of this financial statement.

SCURA PALEY SECURITIES LLC  
NOTES TO FINANCIAL STATEMENT  
DECEMBER 31, 2017

Note 1 - Organization

Scura Paley Securities LLC (the "Company") is a broker-dealer registered with the United States Securities and Exchange Commission ("SEC") and is a member of the Financial Industry Regulatory Authority ("FINRA"). The Company was founded in December 2001 under the laws of the State of Delaware. The Company provides investment banking and related financial advisory services to institutional clients. The Company also operates under the name AXIO Financial, which engages in the marketing of investments to other Broker-Dealers and SEC registered investment advisors. AXIO Financial introduces all transactions with and for customers on a fully disclosed basis with its clearing broker. The Company operates out of two offices, located in New York City and Toronto.

The Company is wholly owned by Scura Paley & Company LLC (the "Parent"), an investment banking firm located in New York City.

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation

The accompanying financial statements are presented in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and amortization. Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets. Leasehold improvements are amortized over the lease term.

Furniture and fixtures	7 years
Leasehold improvements	Lease term
Computer equipment	7 years

Income Taxes

The Company consolidates its taxable income with its Parent, which files a partnership return for federal, state and city purposes. As a result, no federal or New York State income taxes are provided as they are the responsibility of the individual members.

The accompanying notes are an integral part of this financial statement.



SCURA PALEY SECURITIES LLC  
NOTES TO FINANCIAL STATEMENT  
DECEMBER 31, 2017

Note 2 - Summary of Significant Accounting Policies (continuing)

The Company's Parent files income tax returns in the U.S. federal, state and local jurisdictions. With few exceptions, the Company's Parent is no longer subject to U.S. federal, state or local tax examinations by taxing authorities for years before 2014. The years 2014 to 2016 remain subject to examination by taxing authorities.

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 amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements during the reporting period. Actual results could differ from those estimates.

Note 3 - Concentrations

The Company maintains cash balances in one financial institution, which are insured by the Federal Deposit Insurance Corporation (FDIC) for up to \$250,000 per institution. From time to time, the Company's balances may exceed these limits.

Note 4 - Net Capital Requirements

The Company is subject to the SEC Uniform Net Capital Rule (Rule 15c3-1) which requires the maintenance of a minimum net capital, as defined, of the greater of \$50,000 or one-fifteenth of aggregate indebtedness, as defined. At December 31, 2017, the Company had net capital of \$253,952, which exceeded its requirement by \$203,952. Additionally, the Company must maintain a ratio of aggregate indebtedness to net capital of 15:1 or less. At December 31, 2017, this ratio was 0.8 to 1.

The Company is exempt from the provisions of 17 C.F.R. §15c3-3(k) of the SEC since the Company's activities are limited to those set forth in the conditions for exemption pursuant to subsections k(2)(i) and k(2)(ii) of the Rule.

Note 5 - Clearing Broker

The Company clears all of its trades through RBC Capital Markets, LLC (RBC) on a fully disclosed basis. For this service, RBC receives a percentage of the gross commission on each transaction. At December 31, 2017, the Company had \$100,000 on deposit with RBC. In the normal course of business, the Company indemnifies its clearing broker against specified potential losses in connection with their acting as an agent of, or providing services to, the Company. The maximum potential amount of future payments that the Company could be required to make under this indemnification cannot be estimated. However, the Company believes that it is unlikely it will have to make payments under these arrangements and as such has not recorded any contingent liability in the financial statements for this indemnification.

The accompanying notes are an integral part of this financial statement.



SCURA PALEY SECURITIES LLC  
NOTES TO FINANCIAL STATEMENT  
DECEMBER 31, 2017

Note 6 - Property and Equipment

Property and equipment, net at December 31, 2017 are summarized as follows:

Furniture and fixtures	\$ 31,342
Computer equipment	28,002
Leasehold improvements	20,545
	<hr/> 79,889
Less: Accumulated depreciation and amortization	47,250
	<hr/> <u>\$ 32,639</u>

Note 7 - Commitments

The Company is obligated under lease agreements for office space expiring in February 28, 2019 and April 30, 2021. The future rent commitment under these arrangement are as follows:

Years Ending December 31:

2018	\$ 380,607
2019	389,906
2020	393,196
2021	66,069
	<hr/> <u>\$ 1,229,778</u>

Note 8 - Related Party Transactions

One of the prime owners has a financial interest in several companies that provided services to the Company.

Note 9 - Subsequent Events

The Company has evaluated all events or transactions that occurred after December 31, 2017 through the date of this financial statement, which is the date that the financial statement was available to be issued. During this period, there were no material subsequent events requiring disclosure.

The accompanying notes are an integral part of this financial statement.