

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

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

OMB APPROVAL	
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8-67836

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: **Petsky Prunier Securities, LLC**

OFFICIAL USE ONLY

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

FIRM I.D. NO.

60 Broad Street, 38th Floor

(No. and Street)

New York

NY

10004

(City)

(State)

(Zip Code)

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

Michael Petsky

212-842-6001

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

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

Kamler, Lewis & Noreman LLP

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

One Linden Place

Great Neck

NY

11021

(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)

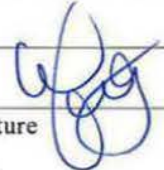
## OATH OR AFFIRMATION

I, Michael Petsky, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Petsky Prunier 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:

State of New York }  
County of New York } S.S.



Notary Public

  
Signature

Chief Compliance Officer

Title



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).

PETSKY PRUNIER SECURITIES, LLC  
SEC I.D. 8-67836  
FINANCIAL STATEMENT  
REQUIRED BY RULE 17a-5 OF  
THE SECURITIES AND EXCHANGE COMMISSION  
AND REPORTS OF  
INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM  
DECEMBER 31, 2017

PETSKY PRUNIER SECURITIES, LLC  
Financial Statement  
Required By Rule 17a-5 of  
The Securities and Exchange Commission  
and Reports of Independent Registered Public Accounting Firm  
December 31, 2017

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## KAMLER, LEWIS & NOREMAN LLP

*Certified Public Accountants*

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Great Neck, NY 11021-2640  
Tel (516) 829-0900  
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220 White Plains Road  
Tarrytown, NY 10591  
Tel (914) 997-0800

### REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Member of  
Petsky Prunier Securities, LLC

#### **Opinion on the Financial Statement**

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

#### **Basis for Opinion**

This financial statement is the responsibility of Petsky Prunier Securities, LLC's management. Our responsibility is to express an opinion on Petsky Prunier Securities, LLC's 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 Petsky Prunier Securities, LLC in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is 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 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 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.

Kamler, Lewis & Noreman LLP

We have served as Petsky Prunier Securities, LLC's auditor since 2005.

Great Neck, New York

February 27, 2018

PETSKY PRUNIER SECURITIES, LLC

Statement of Financial Condition

December 31, 2017

Assets

Assets:

Cash and cash equivalents	\$ 606,909
Accounts receivable	258,000
Prepaid expenses	<u>26,511</u>
	<u>\$ 891,420</u>

Liabilities and Member's Equity

Liabilities:

Accounts payable and accrued expenses	\$ 158,735
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Member's Equity	<u>732,685</u>
	<u>\$ 891,420</u>

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



PETSKY PRUNIER SECURITIES, LLC

Notes to Financial Statement

December 31, 2017

Note 1 - Business Organization and Description

Petsky Prunier Securities, LLC (the "Company") was formed on July 15, 2005 under the laws of the State of New York. The Company was formed as a registered broker dealer. The agreement was amended effective September 1, 2014, whereas the former members contributed 100% of their interest, and is now owned by Petsky Prunier, LLC, the sole member of the Company. The Company does not carry customer accounts and does not process or safe-keep customer funds or securities and is therefore exempt from Rule 15c3-3 of the Securities and Exchange Commission. The Company is registered with the Securities and Exchange Commission (SEC) and is a member of the Financial Industry Regulatory Authority (FINRA).

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation

The Company prepares its financial statements on the accrual basis of accounting in accordance with the Accounting Standards Codification that was approved by the Financial Accounting Standards Board as being the single source of authoritative United States accounting and reporting standards.

Cash and Cash Equivalents

The Company considers all highly liquid debt instruments purchased with an original maturities of three months or less to be cash equivalents. At December 31, 2017, the Company was \$372,909 in excess of the Federal Deposit Insurance Corporation limit.

Accounts Receivable

Receivables consist of uncollateralized customer obligations due under normal trade terms. Payments on trade receivables are applied to the earliest unpaid invoices. Management reviews trade receivables periodically and reduces the carrying amount by a valuation allowance that reflects management's best estimate of the amount that may or may not be collectible. As of December 31, 2017, there was no allowance for doubtful accounts.

Fair Value of Financial Instruments

The carrying amounts of the Company's cash, accounts payable and accrued expenses approximate their respective fair values at December 31, 2017.

Fair Value Measurements

Financial Accounting Standards Boards, Accounting Standard Codification 820 ("FASB ASC 820") defines fair value, established a framework for measuring fair value, and establishes a fair value hierarchy. Valuation techniques that are consistent with the market, income or cost approach, as specified by FASB ASC 820, are used to measure fair value.

PETSKY PRUNIER SECURITIES, LLC  
Notes to Financial Statement  
December 31, 2017

Note 2 - Summary of Significant Accounting Policies (continued)

Revenue Recognition and Expenses

Revenue is recognized when security deals are closed, securities are exchanged and all elements of contractual fulfillment are met. Expenses are recorded at the time incurred.

The Company is an investment bank focused on the advertising, marketing and digital media industries. Investment banking revenues include fees earned from providing merger-and-acquisition and financial restructuring advisory services. Investment banking fees from securities related transactions are recognized when earned under the respective agreements.

Income Taxes

The Company, a limited liability company, includes its operations in the federal and state tax returns of its sole member. Accordingly, no provision has been made in the accompanying financial statements for federal and state income taxes as its member is responsible for the taxable income. The Company, however, is subject to local New York City income taxes. The calculation of the income tax provision is determined under a Company policy which provides that current taxes are calculated on a separate return basis pursuant to a tax sharing agreement.

The Company recognizes and measures its unrecognized tax benefits in accordance with FASB ASC 740, Income Taxes. Under that guidance the Company assesses the likelihood, based on their technical merit, that tax positions will be sustained upon examination based on the facts, circumstances and information available at the end of each period. The measurement of unrecognized tax benefits is adjusted when new information is available, or when an event occurs that requires a change.

As of December 31, 2017, the Company did not have any unrecognized tax benefits or liabilities. The Company is no longer subject to tax examinations for years previous to the three year statute of limitations and there are presently no ongoing tax examinations.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts 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. Changes in such estimates may affect amounts reported in future periods.



PETSKY PRUNIER SECURITIES, LLC  
Notes to Financial Statement  
December 31, 2017

Note 2 - Summary of Significant Accounting Policies (continued)

Recent accounting pronouncements

In May 2014, the FASB issued ASU No. 2014-09, "Revenue from Contracts with Customers (Topic 606)." This ASU, as amended, provides comprehensive guidance on the recognition of revenue from customers arising from the transfer of goods and services, guidance on accounting for certain contract costs, and new disclosures.

The ASU is effective for the Company in January 2019 under a modified retrospective approach or retrospectively to all periods presented. The Company's implementation efforts include identifying revenues and costs within the scope of the ASU, reviewing contracts, and analyzing any changes to its existing revenue recognition policies. As a result of adopting this ASU, the Company, among other things, will be required to recognize incentive fees earlier than under the Company's current revenue recognition policy, which defers recognition until all contingencies are resolved. The Company may also be required to change the current presentation of certain costs from a net presentation within net revenues to a gross basis, or vice versa. Based on implementation work to date, the Company does not currently expect that the ASU will have a material impact on its financial condition, results of operations or cash flows on the date of adoption.

Note 3 - Related Party Transactions

The Company has a management fee agreement with its sole member which the Company paid \$192,570 per month for the year ended December 2017 and quarterly adjustments totaling \$3,468,768 for a variety of management services. In addition, the Company paid its sole member, pursuant to an office and administrative service agreement effective January 1, 2015, distributions of \$12,313,882 and commissions and employee compensation reimbursements of \$9,911,342.

The Company and its sole member have customers in common. The related party provides consulting services to these customers which may facilitate later transactions with the Company.

The Company is a disregarded entity for Federal tax purposes. The Company's policy is to pay its proportionate share of the sole member's New York City Unincorporated Business Tax based upon the relative profits of the Company. For the year ended December 31, 2017, the Company incurred tax expense totaling \$302,994 of which \$290,125 was paid directly to its sole member for its proportionate share of the New York City Unincorporated Business Tax. The remaining expense of \$12,870, related to franchise fees, which were paid directly to the State of California.

PETSKY PRUNIER SECURITIES, LLC

Notes to Financial Statement

December 31, 2017

Note 4 - Net Capital Requirements

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (15c3-1), which requires the maintenance of minimum net capital and that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15:1. The rule also provides that capital may not be withdrawn or cash dividends paid if the resulting net capital ratio would exceed 10:1. At December 31, 2017, the Company had net capital of \$448,174, which was \$437,592 in excess of its required net capital of \$10,582. The Company's ratio of Aggregate Indebtedness to Net Capital was 0.035 to 1.

Note 5 - Exemption

The Company is exempt from the provisions of Rule 15c3-3 under the Securities Exchange Act of 1934, in that the Company's activities are limited to those set forth in the conditions for exemption appearing in paragraph (k)(2)(i) of the Rule.

Note 6 - Office and Administrative Services Agreement

The Company has an amended Office and Administrative Services Agreement ("Agreement") with its sole member, Petsky Prunier LLC ("PPLLC"), effective January 1, 2015. The Agreement requires management to allocate labor costs and certain general and administrative expenses based on the allocation methodology described in the Agreement.

The Agreement states that the Company shall reimburse PPLLC for labor costs that are directly related to the production of revenues by the Company. Labor costs are comprised of commissions, salaries and bonuses paid to employees and associates of PPLLC. Commissions and bonuses are directly related to Company transactions and are reimbursed to PPLLC after the closing of each transaction. Management applies the allocation methodology, as defined in the Agreement, to match the associated salary costs with the revenues generated.

The Agreement states that PPLLC shall provide administrative support services, as defined, to the Company to facilitate the operations of its business. Management estimates a monthly management or service fee to be reimbursed by the Company. This amount is based on management's analysis of historical overhead costs.

The allocable costs of the administrative support provided by PPLLC are reimbursed through a monthly incremental allocation services fee, as defined in the Agreement, which is billed and paid monthly by Petsky Prunier Securities, LLC. Modifications to the service fee may be made by management periodically to adjust for unexpected costs or in anticipation of future expenditures.

Note 7 - Subsequent Events

The Company evaluates events occurring after the date of the financial statements to consider whether or not the impact of such events needs to be reflected or disclosed in the financial statements. Such evaluation is performed through the date the financial statements are issued, which is February 27, 2018 for these financial statements.