

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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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 01/01/2019 AND ENDING 12/31/2019  
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: **SAWAYA PARTNERS SECURITIES LLC**

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

**888 SEVENTH AVENUE - 15TH FLOOR**

|                   |
|-------------------|
| OFFICIAL USE ONLY |
| FIRM I.D. NO.     |

(No. and Street)

**NEW YORK**

**NY**

**10019**

(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\*

**RSGNC&S CERTIFITED PUBLIC ACCOUNTANT PPL**

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

**97 FROELICH FARM BLVD**

**WOODBURY**

**NY**

**11797**

(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 T MARRONE, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of SAWAYA PARTNERS SECURITIES LLC, as of DECEMBER 31, 20 19, 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. 02JO5032555  
Qualified in New York County  
Commission Expires 7/28/21

William H. Joseph  
Notary Public

[Signature]  
Signature

CFO & FIN-OP

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).

**SAWAYA PARTNERS SECURITIES, LLC**  
**(a wholly owned subsidiary of Sawaya Partner, LLC)**

**STATEMENT OF FINANCIAL CONDITION  
AND INDEPENDENT AUDITORS' REPORT**

**DECEMBER 31, 2019**

SAWAYA PARTNERS 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, 2019          | 2           |
| Notes to Financial Statement                                   | 3-6         |





Mark C. Goldberg, CPA  
Mark Raphael, CPA  
Floria Samii-Nikpour, CPA  
Allan B. Cohen, CPA  
Michael R. Sullivan, CPA

---

Anita C. Jacobsen, CPA

Founding Partner:  
Melvin Goldberg, CPA

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Members  
of Sawaya Partners Securities, LLC

### Opinion on the Financial Statement

We have audited the accompanying statement of financial condition of Sawaya Partners Securities, LLC (the "Company") (a limited liability company), as of December 31, 2019, and the related notes to the financial statement. In our opinion, the statement of financial condition presents fairly, in all material respects, the financial position of Sawaya Partners Securities, LLC as of December 31, 2019, in conformity 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 the Company'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 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. 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 presentation of the financial statement. We believe that our audit provides a reasonable basis for our opinion.

*Raphael Goldberg Nikpour Cohen & Sullivan CPAs PLLC*

Raphael Goldberg Nikpour Cohen & Sullivan  
Certified Public Accountants PLLC

We have served as the Company's auditors since 2016

Woodbury, New York  
February 27, 2020

SAWAYA PARTNERS SECURITIES, LLC  
(a wholly owned subsidiary of Sawaya Partners, LLC)  
STATEMENT OF FINANCIAL CONDITION  
DECEMBER 31, 2019

ASSETS

ASSETS

|   |    |                         |
|---|----|-------------------------|
| Cash and cash equivalents   | \$ | 1,016,717               |
| Account receivable  |    | 4,235,000               |
| Due from Parent   |    | 2,837,384               |
| Organizational costs (net of accumulated<br>amortization of \$81,826) |    | 29,754                  |
| Other assets  |    | 5,875                   |
|   |    | <hr/>                   |
| TOTAL ASSETS  | \$ | <u><u>8,124,730</u></u> |

LIABILITIES AND MEMBER'S EQUITY

LIABILITIES

|                                       |    |        |
|---------------------------------------|----|--------|
| Accounts payable and accrued expenses | \$ | 57,229 |
|                                       |    | <hr/>  |
| TOTAL LIABILITIES                     |    | 57,229 |

MEMBER'S EQUITY

|                                       |    |                         |
|---------------------------------------|----|-------------------------|
|                                       |    | <hr/>                   |
|                                       |    | 8,067,501               |
|                                       |    | <hr/>                   |
| TOTAL LIABILITIES AND MEMBER'S EQUITY | \$ | <u><u>8,124,730</u></u> |

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

SAWAYA PARTNERS SECURITIES, LLC  
(a wholly owned subsidiary of Sawaya Partners, LLC)  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019

Note 1 - Organization

Sawaya Segalas Securities, LLC (the "Company"), a wholly owned subsidiary of Sawaya Segalas, & Co., LLC (the "Parent"), was incorporated on June 6, 2006 and commenced operations on December 1, 2008. The Company became a broker-dealer on July 2, 2009 and as such is a broker-dealer registered with the Securities and Exchange Commission (the "SEC") and is a member of the Financial Industry Regulatory Authority, Inc. (the "FINRA"). The Company provides financial advisory and capital raising services, principally related to recapitalization, refinancing, sales, merger, consolidation or other business combination and acquisition advice. The Company does not carry securities accounts for customers or perform custodial functions relating to customer securities and claims exemption from SEC Rule 15c3-3, pursuant to paragraph (k)(2)(i).

On the 17<sup>th</sup> of July 2017 Sawaya Segalas Securities, LLC changed its name to Sawaya Partners Securities, LLC (the "Company"), also on the same date Sawaya Segalas & Co., LLC changed its name to Sawaya Partners, LLC (the "Parent").

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").

Revenue Recognition

The Company accounts for revenue under Financial Accounting Standards Board ("FASB") ("ASC") 606 and the description of the Company's revenue stream are as follows:

Advisor fees

The Company provides strategic advisory services to companies, including raising capital and acquisitions. Revenues are recognized at a point in time when the related services are completed.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash held at a major financial institution.



SAWAYA PARTNERS SECURITIES, LLC  
(a wholly owned subsidiary of Sawaya Partners, LLC)  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019

Note 2 - Summary of Significant Accounting Policies (continued)

At times, cash balances may exceed insured limits. The Company has not experienced any losses in such accounts. The Company considers all highly liquid instruments purchased with a maturity date of three months or less when purchased to be cash equivalents.

The Company maintains its cash balances in one financial institution. These balances are insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000.

Income Taxes

No Provision for federal and state income taxes has been made since the Company is not a taxable entity. As a single member limited liability company, the member is individually liable for the taxes on the Company's income or loss. However, the company is subject to New York City Unincorporated Business Tax and, when applicable, a provision is included on the statement of operations.

The Company complies with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 740, Income Taxes with required an asset and liability approach to financial accounting and reporting for income taxes. Deferred income tax assets and liabilities are computed for differences between the financial statement and tax basis of assets and liabilities that will result in taxable or deductible amounts in the future based on the enacted tax laws and rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established, when necessary, to reduce the deferred income tax assets to the amount expected to be realized.

ASC 740 provided guidance for how uncertain tax positions should be recognized, measured, presented and disclosed in the financial statements. ASC 740 requires the evaluation of tax positions taken or expected to be taken in the course of preparing the Company's tax returns to determine whether the positions are "more-likely-than-not" of being sustained by the applicable tax authority. Tax positions not deemed to meet the more-likely-than-not threshold would be recorded as a tax benefit or expense in the current year. The tax years that remain subject to examination are 2018, 2017, and 2016. The Company determined that there are no uncertain tax positions which would require adjustments or disclosures on the financial statements.

Fair Value Measurement – Definition and Hierarchy

FASB ASC 820, Fair Value Measurement has no material effect on these financial statements.



SAWAYA PARTNERS SECURITIES, LLC  
(a wholly owned subsidiary of Sawaya Partners, LLC)  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019

Note 2 - Summary of Significant Accounting Policies (continued)

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Recent accounting pronouncements

In February 2016, the FASB issued (ASU) 2016-02, "Leases (Topic 842)". This update includes a lease accounting model that recognizes two types of leases – finance leases and operating leases. The standard requires that a lessee recognize on the balance sheet assets and liabilities relating to leases with terms of more than 12 months. The recognition, measurement, and presentation of expenses and cash flows arising from a lease by a lessee will depend on its classification as a finance or operating lease, and is effective for the Company beginning in January 2019. The Company does not have any direct leases, and any expenses related to leases is through the expense sharing agreement with the Parent.

Note 3 - Liabilities Subordinated to the Claims of General Creditors

As of December 31, 2019, the Company had not entered into any subordinated loan agreements.

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 \$5,000 or one-fifteenth of aggregate indebtedness, as defined. At December 31, 2019, the Company had net capital of \$956,696, which exceeded its requirement by \$951,696. Additionally, the Company must maintain a ratio of aggregate indebtedness to net capital of 15:1 or less. At December 31, 2019, this ratio was 5.98 to 1.

The Company is exempt from the provisions of Rule 15c3-3 of the SEC since the Company's activities are limited to those set forth in the conditions for exemption pursuant to subsection k(2)(i).

SAWAYA PARTNERS SECURITIES, LLC  
(a wholly owned subsidiary of Sawaya Partners, LLC)  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019

Note 5 - Commitments and Contingent Liabilities

The Company had no underwriting commitments, no contingent liabilities and had not been named as defendant in any lawsuit at December 31, 2019 or during the year then ended.

Note 6 - Related Party Transactions

For the year ended December 31, 2019, the Company shared office space with its sole member, the Parent. In accordance with the expense sharing agreement (the "Agreement"), the Parent allocates a percentage of the rent and certain other overhead and administrative expenses to the Company. In lieu of cash payments, these amounts may be recorded as capital contributions of the Parent. The Parent has adequate resources independent of the Company to pay these expenses, and the Company has no additional obligation, either direct or indirect, to compensate a third party for these expenses. The total allocated expenses were \$4,310,079 for the year ended December 31, 2019.

The Agreement includes a provision for a management fee to the Parent. For the year ending December 31, 2019, the management fee expense amounted to \$11,411,836. As of December 31, 2019, the total amount due from the Parent for the allocated expenses and management fee was \$2,837,384.

Note 7 - Guarantees

FASB ASC 460, *Guarantees*, requires the Company to disclose information about its obligations under certain guarantee arrangements. FASB ASC 460 defines guarantees as contracts and indemnification agreements that contingently require a guarantor to make payments to the guaranteed party based on changes in an underlying factor (such as an interest or foreign exchange rate, security or commodity price, an index or the occurrence or nonoccurrence of a specified event) related to an asset, liability or equity security of a guaranteed party. This guidance also defines guarantees as contracts that contingently require the guarantor to make payments to the guaranteed party based on another entity's failure to perform under an agreement as well as indirect guarantees of the indebtedness of others.

The company has issued no guarantees at December 31, 2019 or during the year then ended.

Note 8 - Subsequent Events

The Company has evaluated all events or transactions that occurred after December 31, 2019 and there were no material subsequent events requiring disclosure.