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

SEC FILE NUMBER
8- 52985

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 1/01/04 AND ENDING 12/31/04
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Newtek Securities, LLC

OFFICIAL USE ONLY
FIRM I.D. NO.

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

462 Seventh Avenue, 14th Floor

(No. and Street)

New York

NY

10018

(City)

(State)

(Zip Code)

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

Barry Sloane

212-356-9550

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Pricewaterhouse Coopers

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

1177 Avenue of the Americas New York

NY

10036

(Address)

(City)

(State)

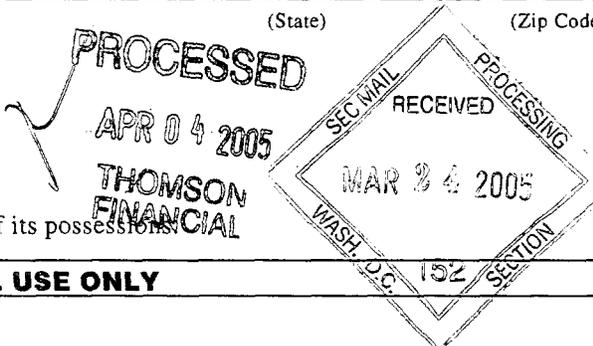
(Zip Code)

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)

SEC 1410 (06-02)

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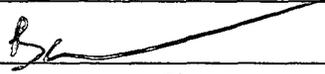
OATH OR AFFIRMATION

I, Barry Sloane, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Newtek Securities, LLC, as of December 31, 2004, 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:



Notary Public

NOTARY PUBLIC, State of New York
No. 1228607
COMM. EXPIRES 12/31/05



Signature

CEO

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 15c3-3 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).

NEWTEK SECURITIES, LLC

STATEMENT OF FINANCIAL POSITION

December 31, 2004

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PricewaterhouseCoopers LLP
401 Broad Hollow Road
Melville NY 11747
Telephone (631) 753 2700
Facsimile (631) 753 2800

Report of Independent Auditors

To the Members of Newtek Securities, LLC:

In our opinion the accompanying statement of financial position presents fairly, in all material respects, the financial position of Newtek Securities, LLC at December 31, 2004 in conformity with accounting principles generally accepted in the United States of America. 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 conducted our audit of this statement in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement of financial position is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement of financial position, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit of the statement of financial position provides a reasonable basis for our opinion.

PricewaterhouseCoopers LLP

March 11, 2005

STATEMENT OF FINANCIAL POSITION
December 31, 2004

Assets

Cash	\$162,222
Due from related party	57,415
Prepaid expenses and other asset	8,907
Fixed assets, net	<u>7,150</u>
Total assets	<u><u>\$235,694</u></u>

Liabilities and Members' Equity

Liabilities	
Accounts payable, accrued expenses and other liabilities	\$76,791
Members' equity	<u>158,903</u>
Total liabilities and members' equity	<u><u>\$235,694</u></u>

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - ORGANIZATION AND NATURE OF BUSINESS:

Newtek Securities, LLC (the "Company") is a New York Limited Liability Company that was formed on February 22, 2000. The Company was a subsidiary of PPM Link, LLC ("PPM") until PPM merged with the Company on December 10, 2004 (Note 2). As of December 31, 2004, the Company is 98% owned by Wilshire New York Partners III, LLC, a subsidiary of Newtek Business Services, Inc. ("Newtek") and 2% by a third party. Effective April 30, 2001, the Company commenced operations as a broker-dealer registered with the Securities and Exchange Commission (the "SEC") and became a member of the National Association of Securities Dealers, Inc. The Company's business consists primarily of placement agent services.

NOTE 2 - MERGER:

Effective December 10, 2004, PPM, was statutorily dissolved and merged into the Company. The merger was accounted for in a manner similar to a pooling-of-interests in accordance with Statement of Financial Accounting Standard ("SFAS") No. 141, *Business Combinations*, for mergers of entities under common control. All assets and liabilities of PPM were contributed to the Company for no consideration.

NOTE 3 - SIGNIFICANT ACCOUNTING POLICIES:

Revenue Recognition

The Company recognizes commission and fee income as earned. Commission and fee income are earned at the time the related services are provided and when the right to receive payment is assured, as defined by the terms and conditions of each client agreement.

Fixed Assets

Fixed assets are stated at cost, less accumulated depreciation and amortization. Depreciation and amortization is provided on a straight line basis using estimated useful lives of the related assets.

Income Taxes

The Company is a Limited Liability Company ("LLC") and in lieu of corporate taxes, the members of the LLC are taxed on their proportionate share of the entity's taxable income. Accordingly, no liability for federal, state and local income taxes has been recorded in the accompanying financial statements.

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

NOTES TO FINANCIAL STATEMENTS**NOTE 4 - FIXED ASSETS:**

At December 31, 2004, fixed assets consist of the following:

		Estimated Useful Lives
Computers	\$ 4,229	3 years
Computer Software	1,435	3 years
Furniture and Fixtures	<u>7,111</u>	5 years
	12,775	
Less: Accumulated depreciation and amortization	<u>(5,625)</u>	
	<u>\$ 7,150</u>	

NOTE 5 - RELATED PARTY TRANSACTION:

At December 31, 2004, \$1,724 is due to Newtek and \$28,632 is due to a 2% minority member of the Company, and are included in accounts payable, accrued expenses and other liabilities.