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

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 01/01/06 AND ENDING 12/31/06
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Sage Partners Securities, LLC

OFFICIAL USE ONLY
FIRM ID. NO.

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

11111 Santa Monica Blvd, Suite 2200

(No. and Street)

Los Angeles

(City)

California

(State)

90025

(Zip Code)

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

Mark Vidergauz, Managing Director and Chief Executive Officer

(310) 478-7899

(Area Code -- Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Rothstein, Kass & Company, P.C.

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

9171 Wilshire Boulevard, Suite 500

(Address)

Beverly Hills

(City)

California

(State)

90210

(Zip Code)

CHECK ONE:

- Certified Public Accountant
- Public Accountant
- Accountant not resident in United States or any of its possessions

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THOMSON FINANCIAL

*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.

SEC 1410 (06-02)

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OATH OR AFFIRMATION

I, Mark Vidergauz, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Sage Partners Securities, LLC, as of December 31, 20 06, 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:

[Handwritten Signature]

Signature

Managing Director & Chief Executive Officer
Title

[Handwritten Signature]

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).

SAGE PARTNERS SECURITIES, LLC

(A wholly owned subsidiary of The Sage Group, LLC)

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Certified
Public
Accountants

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Rothstein Kass

INDEPENDENT AUDITORS' REPORT

To the Member of Sage Partners Securities, LLC
(A wholly owned subsidiary of The Sage Group, LLC)

We have audited the accompanying statement of financial condition of Sage Partners Securities, LLC (the "Company") (a wholly owned subsidiary of The Sage Group, LLC) as of December 31, 2006, that you are filing pursuant to Rule 17a-5 under the Securities Exchange Act of 1934. 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 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 condition is free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, 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. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement of financial condition, assessing the accounting principles used and significant estimates made by the Company's management, as well as evaluating the overall statement of financial condition presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position of Sage Partners Securities, LLC as of December 31, 2006, in conformity with accounting principles generally accepted in the United States of America.

Rothstein, Kass & Company, P.C.

Beverly Hills, California
February 22, 2007

SAGE PARTNERS SECURITIES, LLC

(A wholly owned subsidiary of The Sage Group, LLC)

STATEMENT OF FINANCIAL CONDITION

December 31, 2006

ASSETS

Cash	\$ 1,276,580
Securities owned, at fair value	8,519
Investment banking fees receivable	703,788
Prepaid expenses	<u>13,546</u>
	<u>\$ 2,002,433</u>

LIABILITIES AND MEMBER'S EQUITY

Liabilities

Accounts payable	\$ 10,000
Deferred revenues	41,667
Payable to Parent	<u>61,395</u>
Total liabilities	113,062
Member's equity	<u>1,889,371</u>
	<u>\$ 2,002,433</u>

See accompanying notes to financial statement.

SAGE PARTNERS SECURITIES, LLC

(A wholly owned subsidiary of The Sage Group, LLC)

NOTES TO FINANCIAL STATEMENT

1. Organization and nature of operations

Sage Partners Securities, LLC (the "Company"), a California Limited Liability Company, located in Los Angeles California, was formed in June 2000 as a wholly owned subsidiary of The Sage Group, LLC (the "Parent" and, collectively with the Company, "Sage").

The Company is a registered broker-dealer under the Securities Exchange Act of 1934 and a member of the National Association of Securities Dealers, Inc. ("NASD"). The Company is exempt from Rule 15c3-3 of the Securities and Exchange Commission pursuant to the provisions of paragraph (k)(2)(i) of that rule.

Sage is a merchant banking firm that provides a variety of corporate finance and financial advisory services to middle market and emerging growth clients throughout the United States. Such services include advisory on mergers, acquisitions, divestitures, management buyouts, and restructurings, as well as providing valuation services, fairness opinions and other related services in connection with client transactions. Sage may also participate in private equity placements, private debt and mezzanine placements, and the facilitation of public market activities through its strong relationships with leading Wall Street underwriting firms and other financial institutions.

The Company does not accept customer funds in the name of Sage Partners Securities, LLC. In addition, the Company does not currently engage in the purchase or sale of listed or OTC equities, options or futures, is not planning to be a market maker, and will generally not hold any security positions.

2. Summary of significant accounting policies

Basis of Presentation

The financial statement have been prepared in conformity with accounting principles generally accepted in the United States of America.

Cash

The Company may invest certain cash balances in money market funds. Management considers these investments to be cash for the purposes of the financial statement. These investments are carried at cost, which approximates fair value. The cash balance in the accompanying statement of financial condition is maintained with one institution.

Revenue Recognition

The Company principally generates revenue from investment banking and advisory services. Investment banking fees are generally earned when received upon closing of a client transaction, and are recognized as revenue at that time. Advisory fee retainers are recorded as revenue over the estimated period the services are provided.

Income Taxes

The Company is organized as a limited liability company for federal and state income tax purposes. The tax consequences of the Company's operations accrue to the members of the Parent, which is taxed as a partnership. Accordingly, the Company has not recorded any such tax amounts. However, the Company is subject to California franchise taxes imposed on such companies.

SAGE PARTNERS SECURITIES, LLC

(A wholly owned subsidiary of The Sage Group, LLC)

NOTES TO FINANCIAL STATEMENT

2. Summary of significant accounting policies (continued)

Use of Estimates

The preparation of the financial statement 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 as of the date of the financial statement and the reported amounts in income and expenses during the reporting period. Actual results could differ from those estimates.

3. Securities owned

Securities owned consist of a foreign publicly traded common stock received as compensation in an investment banking transaction in 2003.

4. Transactions with affiliate

Pursuant to a management fee agreement, the Parent provides all managerial, administrative, and compliance services to the Company. In exchange for these services, the Parent charged the Company \$1,200,000 as a management services fee for 2006.

5. Net capital requirements

The Company is subject to Securities and Exchange Commission Uniform Net Capital Rule 15c3-1, which requires the maintenance of minimum net capital, and maintenance of the ratio of aggregated indebtedness to net capital, both as defined, not exceed 15 to 1. At December 31, 2006, the Company had net capital of \$1,138,118, which was \$1,130,580 in excess of its required net capital of \$7,538. The Company's ratio of aggregate indebtedness to net capital was 0.10 to 1 at December 31, 2006.

END