

PK  
3/13



08030208

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

SEC Mail Processed

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

FEB 29 2008

Washington, DC  
110

**OMB APPROVAL**

OMB Number: 3235-0123  
Expires: February 28, 2010  
Estimated average burden  
hours per response . . . 12.00

**SEC FILE NUMBER**

8- 65896

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 01/01/2007 AND ENDING 12/31/2007  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER:

GROTON SECURITIES LLC

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

640 Fifth Avenue Suite 1700

(No. and Street)

New York NY 10019

(City) (State) (Zip Code)

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

Kathy Efram 212-509-7800

(Area Code- Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

McGladrey & Pullen, LLP

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

1185 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)

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

**PROCESSED**

**MAR 18 2008**

**THOMSON  
FINANCIAL**

KA  
3/17

OATH OR AFFIRMATION

I, Luis E. Rinaldini swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Groton Securities LLC, as of December 31, 20 07, 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 FREDERICKSDORF
Notary Public, State of New York
No. 01FR6125163
Qualified in King County
Commission Expires April 11, 20 09

MANAGING MEMBER
Signature
Title

Notary Public
[Handwritten Signature]

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 Proprietor's 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).

# GROTON SECURITIES LLC

**CONTENTS**  
**December 31, 2007**

---

<b>Independent Auditor's Report</b>	<b>1</b>
<b>Statement of Financial Condition</b>	<b>2</b>
<b>Notes to Statement of Financial Condition</b>	<b>3</b>

# McGladrey & Pullen

Certified Public Accountants

## Independent Auditor's Report

To the Member of  
Groton Securities LLC

We have audited the accompanying statement of financial condition of Groton Securities LLC (a wholly owned subsidiary of Groton Partners LLC) (the "Company") as of December 31, 2007 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 examining, on a test basis, evidence supporting the amounts and disclosures in the statement of financial condition. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall statement of financial condition presentation. We believe that our audit of the statement of financial condition provides a reasonable basis for our opinion.

In our opinion, the statement of financial condition referred to above presents fairly, in all material respects, the financial position of Groton Securities LLC as of December 31, 2007, in conformity with accounting principles generally accepted in the United States of America.

*McGladrey & Pullen, LLP*

New York, New York  
February 27, 2008

McGladrey & Pullen, LLP is a member firm of RSM International – an affiliation of separate and independent legal entities. On October 3, 2007, certain partners of Goldstein Golub Kessler LLP became partners of McGladrey & Pullen, LLP

# GROTON SECURITIES LLC

## STATEMENT OF FINANCIAL CONDITION

December 31, 2007

### ASSETS

Cash	\$161,465
Accounts Receivable	2,517
<b>Total Assets</b>	<b>\$163,982</b>

### LIABILITIES AND MEMBER'S EQUITY

Liability - due to Member	\$ 10,405
Member's Equity	153,577
<b>Total Liabilities and Member's Equity</b>	<b>\$163,982</b>

See Notes to Statement of Financial Condition

# GROTON SECURITIES LLC

## NOTES TO STATEMENT OF FINANCIAL CONDITIONAL December 31, 2007

- 1. NATURE OF BUSINESS:** Groton Securities LLC (the "Company") is a wholly owned subsidiary of Groton Partners LLC (the "Member"). The Company is registered under the Securities Exchange Act of 1934 as a broker-dealer in securities and is a member of the Financial Industry Regulatory Authority ("FINRA").
  
- 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

The Company earns fees from consulting services and offerings in which the Company acts as a placement agent.

The Company is a single member limited liability company for federal, state, and local income tax purposes. As such, the Company is a disregarded entity for tax purposes and does not record a provision for income taxes. The Company's income or loss is included in the tax returns of its Member.

The statement of financial condition has been prepared in conformity with accounting principles generally accepted in the United States of America which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

In June 2006, the Financial Accounting Standards Board ("FASB") issued FASB Interpretation No. 48, *Accounting for Uncertainty in Income Taxes - an interpretation of FASB Statement No. 109* ("FIN 48"). FIN 48 clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements in accordance with FASB Statement No. 109, *Accounting for Income Taxes*. FIN 48 prescribes a comprehensive model for recognizing, measuring, presenting and disclosing in the financial statements tax positions taken or expected to be taken on a tax return. If there are changes in net assets as a result of application of FIN 48, these will be accounted for as an adjustment to the opening balance of retained earnings. Additional disclosures about the amounts of such liabilities will be required also. In February 2008, the FASB delayed the effective date of FIN 48 for certain nonpublic enterprises to annual financial statements for fiscal years beginning after December 15, 2007. The Company will be required to adopt FIN 48 in its 2008 annual financial statements. Management is currently assessing the impact of FIN 48 on its financial position and results of operations.
  
- 3. NET CAPITAL REQUIREMENT:** The Company is subject to the SEC Uniform Net Capital Rule 15c3-1. This rule requires the maintenance of minimum net capital and that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1. At December 31, 2007, the Company's net capital was \$151,060, which was \$146,060 in excess of its minimum requirement of \$5,000.
  
- 4. CONCENTRATIONS OF CREDIT RISK:** The Company maintains cash balances in various bank deposit accounts which, at times, may exceed the amounts insured by the Federal Deposit Insurance Corporation. The Company has not experienced any losses in such accounts and management does not believe it is exposed to any significant credit risk on cash.

**END**