



09059663

COMMISSION  
549

PDD 3/11

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

SECURITIES AND EXCHANGE COMMISSION <b>RECEIVED</b>  MAR 10 2009  BRANCH OF REGISTRATIONS AND EXAMINATIONS 05
---

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

SEC FILE NUMBER 8-67220
----------------------------

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 1/1/2008 AND ENDING 12/31/2008  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: SYMPHONIC SECURITIES LLC

OFFICIAL USE ONLY
FIRM ID. NO.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)  
570 LEXINGTON AVENUE, 9TH FLOOR

(No. and Street)

NEW YORK

NY

10022

(City)

(State)

(Zip Code)

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

EDMUND TOWERS

212-702-3500

(Area Code -- Telephone No.)

**B. ACCOUNTANT IDENTIFICATION**

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

WEISBERG, MOLE', KRANTZ & GOLDFARB LLP

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

185 CROSSWAYS PARK DRIVE

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).

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)

JP 2/25/09

OATH OR AFFIRMATION

I, EDMUND TOWERS, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of SYMPHONIC SECURITIES LLC, as of 31-Dec 20 08, 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:

NONE

ESMATBAHAR MATIN
Notary Public - State of New York
No. 02MA6191121
Qualified in New York County
My Comm. Expires Aug. 24, 2012

Edmund Towers
Signature

CHIEF FINANCIAL OFFICER
Title

Esmat Bahar Matin
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 Cash Flows
(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).



**Weisberg, Molé, Krantz & Goldfarb, LLP**  
**Certified Public Accountants**

**Independent Auditors' Report on Internal Accounting Control Required by SEC Rule  
17a-5 for a Broker-Dealer Claiming an Exemption from SEC Rule 15c3-3**

To the Managing Member of  
Symphonic Securities LLC

In planning and performing our audit of the financial statements and supplemental schedules of Symphonic Securities LLC ("the Company"), as of and for the year ended December 31, 2008, in accordance with auditing standards generally accepted in the United States of America, we considered the Company's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company's internal control.

Also, as required by Rule 17a-5(g)(1) of the Securities and Exchange Commission (SEC), we have made a study of the practices and procedures followed by the Company, including consideration of control activities for safeguarding securities. This study included tests of such practices and procedures that we considered relevant to the objectives stated in rule 17a-5(g) in making the periodic computations of aggregate indebtedness and net capital under rule 17a-3(a)(11) and for determining compliance with the exemptive provisions of rule 15c3-3. Because the Company does not carry securities accounts for customers or perform custodial functions relating to customer securities, we did not review the practices and procedures followed by the Company in any of the following:

1. Making quarterly securities examinations, counts, verifications, and comparisons and recordation of differences required by rule 17a-13.
2. Complying with the requirements for prompt payment for securities under Section 8 of Federal Reserve Regulation T of the Board of Governors of the Federal Reserve System.

The management of the Company is responsible for establishing and maintaining internal control and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of controls and of the practices and procedures referred to in the preceding paragraph and to assess whether those practices and procedures can be expected to achieve the SEC's above-mentioned objectives. Two of the objectives of internal control and the practices and procedures are to provide management with reasonable but not absolute assurance that assets for which the Company has responsibility are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit preparation of financial statements in conformity with generally accepted accounting principles. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

Because of inherent limitations in internal control and the practices and procedures referred to above, error or fraud may occur and not be detected. Also, projection of any evaluation of them to future periods is subject to the risk that they may become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate.

A control deficiency exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control was for the limited purpose described in the first and second paragraphs and would not necessarily identify all deficiencies in internal control that might be material weaknesses. We did not identify any deficiencies in internal control and control activities for safeguarding securities that we considered to be material weaknesses, as defined above.

We understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the SEC to be adequate for its purposes in accordance with the Securities Exchange Act of 1934 and related regulations, and that practices and procedures that do not accomplish such objectives in all material respects indicate a material inadequacy for such purposes. Based on this understanding and on our study, we believe that the Company's practices and procedures, as described in the second paragraph of this report, were adequate at December 31, 2008, to meet the SEC's objectives.

This report is intended solely for the use of Management, the Securities and Exchange Commission, and other regulatory agencies which rely on rule 17a-5(g) under the Securities Exchange Act of 1934 in their regulation of registered brokers and dealers and is not intended to be and should not be used by anyone other than those specified parties.

*Washney, Male, Krantz + Goldfarb, LLP*

Woodbury, New York  
February 6, 2009

***SYMPHONIC SECURITIES LLC***

*FINANCIAL STATEMENTS*

*December 31, 2008*



Weisberg, Molé, Krantz & Goldfarb, LLP  
*Certified Public Accountants*

INDEPENDENT AUDITOR'S REPORT

To The Managing Member of  
Symphonic Securities LLC

We have audited the accompanying statement of financial condition of Symphonic Securities LLC (the "Company") as of December 31, 2008, and the related statements of operations, changes in member's equity, and cash flows for the year then ended that you are filing pursuant to rule 17a-5 under the Securities exchange Act of 1934. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements 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 financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Symphonic Securities LLC at December 31, 2008, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in Schedule I on page 8 is presented for purposes of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by rule 17a-5 under the Securities Exchange Act of 1934. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Weisberg, Molé, Krantz & Goldfarb, LLP*

Woodbury, New York  
February 6, 2009

**SYMPHONIC SECURITIES LLC**  
**STATEMENT OF FINANCIAL CONDITION**  
December 31, 2008

ASSETS

Cash	\$ 25,000
Investments - Money market fund	249,125
Receivable from broker dealers	56,187
Receivable from affiliates	30,209
Other	<u>21,298</u>
 Total assets	 <u><u>\$ 381,819</u></u>

LIABILITIES AND MEMBER'S EQUITY

Accrued expenses and other payables	\$ 27,051
Payable to affiliates	<u>169,977</u>
 Total liabilities	 <u>\$ 197,028</u>
 Member's Equity	 <u>\$ 184,791</u>
 Total liabilities and member's equity	 <u><u>\$ 381,819</u></u>

**SYMPHONIC SECURITIES LLC**

**STATEMENT OF OPERATIONS**

For the year ended December 31, 2008

REVENUES

Commissions and sales fees	\$ 142,413
Dividend income	6,674
Other	<u>39,136</u>
	<u>\$ 188,223</u>

EXPENSES

General and administrative expenses	\$ 279,599
Clearing charges	<u>51,315</u>
	<u>\$ 330,914</u>
Loss before income tax benefit	(142,691)
Income tax benefit	<u>4,200</u>
Net loss	<u><u>\$ (138,491)</u></u>

**SYMPHONIC SECURITIES LLC**

**STATEMENT OF CHANGES IN MEMBER'S EQUITY**

For the Year Ended December 31, 2008

	<u>Member's Equity</u>
Balance at January 1, 2008	\$ 173,282
Contributions	150,000
Net loss	<u>(138,491)</u>
Balance at December 31, 2008	<u><u>\$ 184,791</u></u>

SYMPHONIC SECURITIES LLC

STATEMENT OF CASH FLOWS

For the year ended December 31, 2008

CASH FLOWS FROM OPERATING ACTIVITIES

Net loss	<u>\$ (138,491)</u>
Cash flow from changes in assets and liabilities:	
Decrease in commission receivable	24,936
Increase in receivable from broker dealers and affiliates	(75,299)
Decrease in other assets	3,088
Increase in accounts payable and accrued expenses	19,551
Decrease in payable to affiliates	<u>(74,394)</u>
Total adjustments	<u>(102,118)</u>
Net cash used in operating activities	<u>\$ (240,609)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Sales of money market funds, net of purchases	<u>\$ 90,609</u>
Total cash provided by investing activities	<u>\$ 90,609</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Contributions from parent	<u>\$ 150,000</u>
Total cash provided by financing activities	<u>\$ 150,000</u>

Net change in cash	\$ -
Cash and cash equivalents at beginning of year	<u>25,000</u>
Cash and cash equivalents at end of year	<u><u>\$ 25,000</u></u>

SUPPLEMENTAL CASH FLOW DISCLOSURES:

Interest paid	<u>\$ -</u>
Income taxes paid	<u><u>\$ -</u></u>

# SYMPHONIC SECURITIES LLC

## NOTES TO FINANCIAL STATEMENTS

December 31, 2008

### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### General

Symphonic Securities, LLC (the "Company") is a registered broker/dealer in securities and a member of the Financial Industry Regulatory Authority ("FINRA"). The Company is a wholly owned limited liability company of Acebes, D'Alessandro and Associates, LLC ("ADA").

#### 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 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.

#### Income Taxes

As a single member limited liability company, the Company's assets, liabilities, income and expenses are treated as if ADA directly owned these amounts for federal and state income tax purposes and, accordingly, the Company will generally not be subject to income taxes.

#### Cash and Cash Equivalents

For purposes of the statement of cash flows, cash and cash equivalents includes funds in bank checking accounts.

#### Revenue Recognition

The Company's policy is to record commissions earned on securities transactions on a trade date basis. The Company's revenues consist primarily of commissions on sales of insurance products and sales fees.

#### Credit and Off-Balance-Sheet Risk

The Company receives its commission income from customer transactions on settlement date from its clearing brokers and, accordingly, will not be exposed to credit risk. Additionally, at December 31, 2008, the Company does not hold any financial instruments with off-balance-sheet risk. At certain times throughout the year the Company may maintain bank account balances in excess of federally insured limits.

### NOTE 2 - NET CAPITAL REQUIREMENTS

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (Rule 15c3-1), which requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1. At December 31, 2008, the Company had net capital of \$128,302, which was \$103,302 in excess of its required capital of \$25,000. The Company's net capital ratio was 1.54 to 1.

# SYMPHONIC SECURITIES LLC

## NOTES TO FINANCIAL STATEMENTS

December 31, 2008

### NOTE 3 - CUSTOMER PROTECTION RULE

The Securities and Exchange Commission Customer Protection Rule (rule 15c3-3) sets out regulations concerning self-clearing firms. The Company clears all of its customer transactions through outside brokers on a fully disclosed basis and, therefore, has claimed exemption from these regulations under rule 15c3-3(k) (2). The Company is in compliance with the exceptive provisions of this rule. As a non-clearing firm, the Company does not hold customer funds or securities.

### NOTE 4 - INCOME TAXES

As previously discussed, the Company, as a limited liability company is generally not subject to federal and state corporate income taxes. However, New York City imposes an unincorporated business tax on partnerships and, accordingly, the Company's taxable income is subject to this New York City tax at the ADA level. The Company has incurred a loss for the year ended December 31, 2008 and, accordingly, a tax benefit has been recognized.

### NOTE 5 – RELATED PARTIES

The Company utilizes space, personnel and other services and overhead which are incurred by affiliated companies. These services, totaling approximately \$126,000, were transacted in the normal course of business and were recorded as specific expenses in the period provided.

### NOTE 6 - COMMITMENTS AND CONTINGENCIES

An affiliated company executed a 10-year lease for office space expiring May 31, 2008. In 2006, this affiliate extended the lease term until December 31, 2011 and leased additional spaces. The Company occupies a portion of this space and is allocated rent accordingly. Under the terms of the original lease, annual rent calculated on the straight-line basis, including the rent abatement period, approximates \$1,400,000. For the period that the lease has been extended, annual rent will increase approximately \$38,000. The Company's allocated portion of the annual rent expense amounts to approximately \$10,000 per year. Future annual rent to be allocated to the Company through the expiration of the lease agreement is as follows:

Year Ended December 31, 2009	\$	10,000
Year Ended December 31, 2010		10,000
Year Ended December 31, 2011		<u>10,000</u>
Total	\$	<u>30,000</u>

**SYMPHONIC SECURITIES LLC**

Schedule I

**COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1 OF THE  
SECURITIES AND EXCHANGE COMMISSION**

For the year ended December 31, 2008

**NET CAPITAL**

Total member's equity	\$ 184,791
Deduct member's equity not allowable for net capital	-
Total member's equity qualified for net capital	\$ 184,791

Additions: none

**Deductions:**

Other non-allowable assets	\$ 51,507
Total deductions	\$ 51,507

Net capital before haircuts on securities positions	\$ 133,284
Haircuts on securities	(4,982)
Net capital	\$ 128,302

**AGGREGATE INDEBTEDNESS**

Items included in statement of financial condition	
Accrued expenses and other payables	\$ 197,028
Total aggregate indebtedness	\$ 197,028

**COMPUTATION OF BASIC NET CAPITAL REQUIREMENTS**

Minimum net capital required (6 2/3% of aggregate indebtedness) (A)	\$ 13,135
Minimum dollar net capital requirement for reporting broker or dealer (B)	\$ 25,000
Net capital requirement (greater of (A) or (B))	\$ 25,000
Excess net capital	\$ 103,302
Excess net capital at 1000%	\$ 108,599
Ratio: Aggregate indebtedness to net capital	1.54 to 1

**RECONCILIATION WITH COMPANY'S COMPUTATION**

(Included in Part II A of Form X-17A-5 as of December 31, 2008)

Net capital as reported in Company's Part II A (unaudited) FOCUS report	\$ 128,302
Year end adjustments	-
Net capital per above	\$ 128,302