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

SEC Mail Process Section

FEB 26 2010

Washington, DC

SEC FILE NUMBER
8- 7661

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 01/01/09 AND ENDING 12/31/09  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: Faver Securities, LLC

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

112 Daisy Farms Drive

(No. and Street)

New Rochelle

(City)

NY

(State)

10804

(Zip Code)

OFFICIAL USE ONLY

FIRM I.D. NO.

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

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

Louis Sternbach & Company, LLP

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

1333 Broadway

(Address)

New York

(City)

NY

(State)

10018

(Zip Code)

CHECK ONE:

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

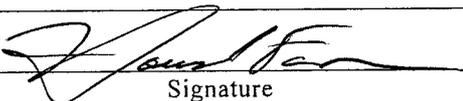
**FOR OFFICIAL USE ONLY**

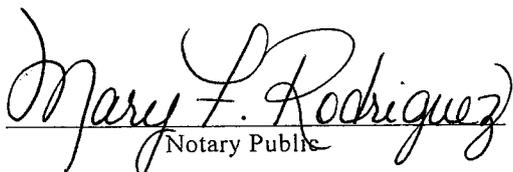
\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

OATH OR AFFIRMATION

I, Howard Faver, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Faver Securities, LLC, as of December 31, 2009, 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:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

  
Signature  
FinOp, CCO  
Title

  
Notary Public

**Mary F. Rodriguez**  
Notary Public, State of New York  
No. 01RO6021739  
Qualified in Queens County  
Commission Expires March 22, 2011

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).

FAVER SECURITIES, LLC

FINANCIAL STATEMENTS AND SCHEDULES

Independent Auditors' Report

Statement of Financial Condition as of December 31, 2009

Statement of Operations for the Year Ended December 31, 2009

Statement of Changes in Member's Equity for the Year Ended December 31, 2009

Statement of Changes in Liabilities Subordinated to Claims of General Creditors for the Year Ended December 31, 2009

Statement of Cash Flows for the Year Ended December 31, 2009

Notes to Financial Statements

Schedules:

Computation of Consolidated Net Capital for Brokers and Dealers Pursuant to Rule 15c3-1 Under the Securities Exchange Act of 1934

Computation of Basic Net Capital Requirement

Reconciliation of Net Capital to Submitted Unaudited Net Capital

Computation of Aggregate Indebtedness

Computation for Determination of Reserve Requirements for Brokers and Dealers Pursuant to Rule 15c3-3 Under the Securities Exchange Act of 1934

SIPC Supplemental Report

Accountant's Report on Internal Control

# LOUIS STERNBACH & COMPANY, LLP

CERTIFIED PUBLIC ACCOUNTANTS

## Independent Auditors' Report

To the Member of  
Faver Securities, LLC

We have audited the accompanying statement of financial condition of Faver Securities, LLC as of December 31, 2009, and the related statements of operations, changes in member's equity, changes in liabilities subordinated to claims of general creditors 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 Faver Securities, LLC as of December 31, 2009, 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 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.

*Louis Sternbach & Co, LLP*

Certified Public Accountants

February 23, 2010  
New York, New York

FAVER SECURITIES, LLC  
STATEMENT OF FINANCIAL CONDITION  
AS OF DECEMBER 31, 2009

ASSETS

ASSETS

Cash and cash equivalents	\$21,534
Commissions receivables	<u>146</u>
<u>Total Assets</u>	<u>\$21,680</u>

LIABILITIES AND MEMBER'S EQUITY

LIABILITIES

Commissions payable	\$ 474
Accrued expenses	<u>2,846</u>
<u>Total Liabilities</u>	3,320

COMMITMENTS AND CONTINGENT LIABILITIES

<u>MEMBER'S EQUITY</u>	<u>18,360</u>
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<u>TOTAL LIABILITIES AND MEMBER'S EQUITY</u>	<u>\$21,680</u>
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The accompanying notes are an integral part of these financial statements

FAVER SECURITIES, LLC

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2009

REVENUES

Commissions		\$ 3,039
Interest		<u>16</u>

<u>Total Revenues</u>		3,055
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EXPENSES

Regulatory fees	\$1,963	
Commissions	1,773	
Professional fees	2,300	
Other	<u>571</u>	

<u>Total Expenses</u>		<u>6,607</u>
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NET LOSS

(\$ 3,552)

The accompanying notes are an integral part of these financial statements

FAVER SECURITIES, LLC

STATEMENT OF CHANGES IN MEMBER'S EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Member's Equity</u>
<u>BALANCE - BEGINNING OF YEAR</u>	\$ 23,912
Net loss	( 3,552)
Distributions	( <u>2,000</u> )
<u>BALANCE - END OF YEAR</u>	<u>\$18,360</u>

The accompanying notes are an integral part of these financial statements

FAVER SECURITIES, LLC

STATEMENT OF CHANGES IN LIABILITIES SUBORDINATED  
TO CLAIMS OF GENERAL CREDITORS

FOR THE YEAR ENDED DECEMBER 31, 2009

BALANCE - BEGINNING OF YEAR

\$ -0-

BALANCE - END OF YEAR

\$ -0-

The accompanying notes are an integral part of these financial statements

FAVER SECURITIES, LLC

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2009

CASH FLOWS FROM OPERATING ACTIVITIES

Net loss	(\$ 3,552)
(Increase) decrease in operating assets:	
Commissions receivable	665
Increase (decrease) in operating liabilities:	
Commissions payable	145
Accrued expenses	<u>1,283</u>
<u>Net Cash Used in Operating Activities</u>	( 1,459)

CASH FLOWS FROM FINANCING ACTIVITIES

Distribution to member	( <u>2,000</u> )
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NET DECREASE IN CASH AND CASH EQUIVALENTS ( 3,459)

CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR 24,993

CASH AND CASH EQUIVALENTS - END OF YEAR \$ 21,534

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

Cash paid during the year for:	
Interest	<u>\$ -0-</u>
Taxes	<u>\$ -0-</u>

The accompanying notes are an integral part of these financial statements

FAVER SECURITIES, LLC

NOTES TO FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2009

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

NATURE OF OPERATIONS

Faver Securities, LLC, is a registered broker-dealer with the Securities and Exchange Commission (SEC) and the Financial Industry Regulatory Authority Inc. (FINRA).

Faver Securities, LLC's sole line of business is mutual fund retail on a subscription basis. Faver does not hold customer funds or securities. Commissions are paid periodically by the mutual fund companies with which Faver has direct selling agreements.

USE OF ESTIMATES

The preparation of the Company's 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 financial statements and related disclosures. Management believes that the estimates utilized in the preparation of these financial statements are prudent and reasonable. Actual results could differ from those estimates.

CASH AND CASH EQUIVALENTS

The Company considers all highly liquid investments with original maturities of three months or less to be cash equivalents.

INCOME TAXES

As a partnership, no provision for federal or state income taxes is required as its members are responsible for reporting the Company's income or loss under applicable income tax statutes and regulations.

NOTE 2 - COMMITMENTS AND CONTINGENT LIABILITIES

The Company has entered into an expense sharing agreement with Coordinated Insurance Agency Service, Inc., a C corporation that is 100% owned by Bernard Faver, Faver Securities LLC's sole shareholder. The agreement covers salaries, telephone, internet access, postage, file storage and other miscellaneous expenses. For the year ended December 31, 2009, total overhead expenses amounted to \$301.

FAVER SECURITIES, LLC

NOTES TO FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2009

NOTE 3 - NET CAPITAL REQUIREMENTS

The Company is a registered broker/dealer and, accordingly, is subject to the minimum net capital requirements of the Uniform Net Capital Rule 15c3-1 under the Securities Exchange Act of 1934. The Company's aggregate indebtedness can not exceed 15 times net capital. At December 31, 2009, the Company's net capital and excess net capital were \$18,236 and \$13,236 respectively and its aggregate indebtedness was approximately 18% of its net capital.

FAVER SECURITIES, LLCCOMPUTATION OF CONSOLIDATED NET CAPITAL FOR BROKERS AND DEALERS  
PURSUANT TO RULE 15C3-1 UNDER THE SECURITIES EXCHANGE ACT OF 1934AS OF DECEMBER 31, 2009

<u>MEMBER'S EQUITY</u>	\$18,360
<u>DEDUCTIONS OR CHARGES</u>	
Haircut on Money Market account	<u>124</u>
<u>NET CAPITAL</u>	<u>\$18,236</u>

The accompanying notes are an integral part of these financial statements

FAVER SECURITIES, LLCCOMPUTATION OF BASIC NET CAPITAL REQUIREMENTAS OF DECEMBER 31, 2009

<u>MINIMUM NET CAPITAL REQUIRED - 6-2/3% OF TOTAL AGGREGATE INDEBTEDNESS</u>	<u>\$ 221</u>
<u>MINIMUM DOLLAR NET CAPITAL REQUIREMENT OF REPORTING DEALER</u>	<u>\$ 5,000</u>
<u>NET CAPITAL REQUIREMENT</u>	<u>\$ 5,000</u>
<u>EXCESS NET CAPITAL</u> (Net capital less net capital requirement)	<u>\$13,236</u>
<u>EXCESS NET CAPITAL AT 1000%</u> (Net capital less 10% of aggregate indebtedness)	<u>\$17,904</u>

The accompanying notes are an integral part of these financial statements

FAVER SECURITIES, LLCRECONCILIATION OF NET CAPITAL TO SUBMITTED UNAUDITED NET CAPITALAS OF DECEMBER 31, 2009

<u>NET CAPITAL PER UNAUDITED X-17A-5</u>	\$21,702
Audit adjustments	( <u>3,466</u> )
<u>NET CAPITAL PER AUDITED REPORT</u>	<u>\$18,236</u>

The accompanying notes are an integral part of these financial statements

FAVER SECURITIES, LLCCOMPUTATION OF AGGREGATE INDEBTEDNESSAS OF DECEMBER 31, 2009TOTAL AGGREGATE INDEBTEDNESS LIABILITIES

Commissions payable	\$ 474
Accrued liabilities	<u>2,846</u>

TOTAL AGGREGATE INDEBTEDNESS\$3,320PERCENTAGE OF AGGREGATE INDEBTEDNESS TO NET CAPITAL18%

The accompanying notes are an integral part of these financial statements

FAVER SECURITIES, LLC

COMPUTATION FOR DETERMINATION OF RESERVE REQUIREMENTS FOR BROKERS AND DEALERS  
PURSUANT TO RULE 15C3-3 UNDER THE SECURITIES EXCHANGE ACT OF 1934

AS OF DECEMBER 31, 2009

The Company is exempt from the provisions of Rule 15c3-3 under the Securities Exchange Act of 1934, in that the Company's activities are limited to those set forth in the conditions for exemption appearing in paragraph (k)(2)(i) of the Rule.

LOUIS STERNBACH & COMPANY, LLP

CERTIFIED PUBLIC ACCOUNTANTS

Independent Accountants' Report on an Entity's SIPC Exemption

To the Partner  
Faver Securities, LLC  
112 Daisy Farms Drive  
New Rochelle, NY 10804

Faver Securities, LLC claimed an exclusion from membership in the Securities Protection Corporation ("SIPC") under Section 78ccc(a)(2)(A)(ii) of the Securities Investor Protection Act of 1970 ("SIPA"). During the year ended December 31, 2009, the Company's business as a broker dealer consisted exclusively of the distribution of shares of registered open end investment companies or unit investment trust; the sale of variable annuities and the business of insurance.

This report is intended solely for the information and use of the specified parties listed above and is not intended to be and should not be used by anyone other than these specified parties.

*Louis Sternbach & Company, LLP*

Certified Public Accountants

February 23, 2010  
New York, New York

# LOUIS STERNBACH & COMPANY, LLP

CERTIFIED PUBLIC ACCOUNTANTS

## Auditor's Report on Internal Control

To the Member of  
Faver Securities, LLC

In planning and performing our audit of the financial statements and supplemental schedules of Faver Securities, LLC (the Company), as of and for the year ended December 31, 2009 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 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 (or aggregate debits) 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 the 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 any internal control or 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.

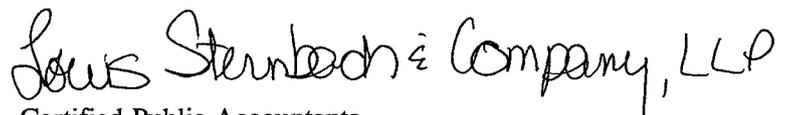
A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control 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 consider 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 were adequate at December 31, 2009 to meet the SEC's objectives.

This report is intended solely for the information and use of management, the SEC, FINRA and other regulatory agencies that 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 these specified parties.

  
Certified Public Accountants

February 23, 2010  
New York, New York

**FAVER SECURITIES, LLC**  
**FINANCIAL STATEMENTS**  
**AS OF DECEMBER 31, 2009**