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SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

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

SEC FILE NUMBER
8-51324

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

OFFICIAL USE ONLY
FIRM ID. NO.

7 Hanover Square, 4<sup>th</sup> Floor  
(No. and Street)  
New York New York 10004  
(City) (State) (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT  
Salvatore Troia (212)919-3331  
(Area Code -- Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

Pricewaterhousecoopers LLP  
(Name -- if individual, state last, first, middle name)  
300 Madison Avenue New York NY 10017  
(Address) (City) (State) (Zip Code)

CHECK ONE:

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

SEC Mail  
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Washington, DC  
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\* 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.

BB 3/8

OATH OR AFFIRMATION

I, Salvatore Troia, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Park Avenue 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:

DOUGLAS WITTER
NOTARY PUBLIC STATE OF NEW YORK
QUALIFIED IN NEW YORK COUNTY
LIC. #02WI6191344
COMM. EXP. 10-6-2012

Signature: Salvatore Troia
Title: Chief Financial Officer

Notary Public: Douglas Witter

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).

**Park Avenue Securities LLC**  
(An indirect wholly owned subsidiary of  
Guardian Life Insurance Company of America)  
**Index**  
**December 31, 2009**

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**Report of Independent Auditors**

To the Board of Managers and Member of  
Park Avenue Securities LLC:

In our opinion, the accompanying statement of financial condition presents fairly, in all material respects, the financial position of Park Avenue Securities LLC (the "Company"), a subsidiary of the Guardian Life Insurance Company of America, at December 31, 2009 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 financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and 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.

*PricewaterhouseCoopers LLP*

February 25, 2010

**Park Avenue Securities LLC**  
(An indirect wholly owned subsidiary of  
Guardian Life Insurance Company of America)  
**Statement of Financial Condition**  
**December 31, 2009**

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**Assets**

Cash and cash equivalents	\$ 45,479,774
Cash segregated under federal regulations	559
Deposits with clearing organizations	84,065
Receivable from broker-dealer	1,290,491
Receivable from registered representatives	743,835
Commissions receivable	3,205,520
Deferred tax asset	209,984
Other assets	104,732
Total assets	<u>\$ 51,118,960</u>

**Liabilities and Member's Equity**

Commissions payable	\$ 5,809,248
Due to Guardian Life Insurance Company of America	6,401,669
Other liabilities	402,054
Total liabilities	<u>12,612,971</u>
Member's equity	<u>38,505,989</u>
Total liabilities and member's equity	<u>\$ 51,118,960</u>

The accompanying notes are an integral part of this financial statement.

**Park Avenue Securities LLC**  
**(An indirect wholly owned subsidiary of**  
**Guardian Life Insurance Company of America)**  
**Notes to Statement of Financial Condition**  
**December 31, 2009**

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**1. Organization and Nature of Business**

Park Avenue Securities LLC (“PAS” or the “Company”) is a registered broker-dealer under the Securities Exchange Act of 1934 and is a member of the Financial Industry Regulatory Authority and Securities Investor Protection Corporation. The Company is also a registered investment advisor under the Investment Advisers Act of 1940. The Company is a Delaware Limited Liability Company that is a wholly owned subsidiary of The Guardian Insurance and Annuity Company, Inc. (“GIAC”), which is ultimately a wholly owned subsidiary of Guardian Life Insurance Company of America (“Guardian Life”).

PAS’ business as a securities broker-dealer consists of selling products offered by GIAC and Guardian Investor Services, LLC (“GIS”), both affiliated entities, as well as third party sponsors. Such products include mutual funds, variable annuities, variable life insurance, 401(k) plans and investment advisory services. PAS also acts as a broker in the purchase and sale of securities.

**2. Significant Accounting Policies**

**Basis of Presentation**

PAS’ financial statements are prepared in accordance with generally accepted accounting principles in the United States of America (GAAP).

**Use of Estimates**

The preparation of these financial statements in conformity with GAAP 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, as well as the reported amounts of revenues and expenses during the accounting period. Actual results could differ from those estimates.

**Cash and cash equivalents**

Cash and cash equivalents include amounts on deposits with banks and highly liquid investments with an original maturity of three months or less. They are reported in the statement of financial condition at cost, which approximates fair value.

Cash segregated under federal regulations represents funds collected from customers and payable to mutual fund sponsors as a result of the sale of mutual fund shares. Such payables are included in other liabilities.

**Receivable From Broker-Dealer**

The Company clears its proprietary and certain customer transactions through another broker-dealer on a fully disclosed basis. The receivable from broker-dealer at December 31, 2009 includes advisory fees and commissions receivable.

**Federal Income Taxes**

Current federal income taxes are charged or credited to operations based upon amounts estimated to be payable or recoverable as a result of taxable operations for the current year and any adjustments to such estimates from prior years. Deferred federal income tax assets and liabilities

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**Notes to Statement of Financial Condition**  
**December 31, 2009**

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are recognized for expected future tax consequences of temporary differences between GAAP and taxable income. Temporary differences are identified and measured using a balance sheet approach whereby GAAP and tax balance sheets are compared. Deferred income tax assets and liabilities are recognized for the future tax consequences of temporary differences between financial statement carrying amounts and income tax basis of assets and liabilities.

The Company is organized as a limited liability company and is thereby treated as a disregarded entity for federal and state income tax purposes. As such, the Company's results are included in the consolidated federal and state income tax returns of Guardian Life. The consolidated income tax provision or benefit is allocated among the members of the group in accordance with an agreement which provides that each member of the group is allocated its share of the consolidated tax provision or benefit determined generally on a separate company basis, but may recognize the tax benefits of net operating losses or capital losses utilizable in the consolidated return. For state tax purposes, since Guardian Life is an insurance company, it is generally subject to tax on gross premium rather than on income. However, in those years where Guardian Life is subject to a state income tax, such income will be subject to the group's tax allocation agreement. Intercompany tax balances are settled quarterly on an estimated basis with a final settlement within 30 days of the filing of the consolidated returns.

**Revenue and Expense Recognition**

Proprietary securities transactions are recorded on a trade date basis. Profit and loss arising from all securities transactions entered into for the account and risk of the Company are recorded on a trade date basis. Commissions earned and related commission expenses from customers' securities transactions are recorded on a trade date basis.

**Recent Accounting Pronouncements**

Codification

In June 2009, the Financial Accounting Standards Board (FASB) released FASB Accounting Standards Codification™ (“Codification”). All existing accounting standard documents were superseded and Codification became the sole source of authoritative non-governmental GAAP. Codification does not change existing GAAP guidance but instead provides a consistent organizational structure to simplify user access to its contents. Hereafter, the FASB will not issue new authoritative standards in the form of statements, FSP's or EITF abstracts, but will update the Codification. Codification did not result in any change in our significant accounting policies.

Subsequent Events

Effective December 31, 2009, the Company adopted new accounting guidance related to subsequent events which is effective for interim or fiscal periods ending after June 15, 2009 and should be applied prospectively. The new accounting guidance provides direction to establish general standards of accounting for and disclosure of events that occur after the balance sheet date but before financial statements are issued or are available to be issued. The adoption of this new accounting guidance did not have an impact on the Company's consolidated financial statements. Events occurring prior to February 25, 2010, the issuance date of the financial statements, are considered subsequent events that require disclosure. See Note 3, “Related Party Transactions,” for capital returned by the Company to its parent in January 2010.

**Park Avenue Securities LLC**  
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**Notes to Statement of Financial Condition**  
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**3. Related Party Transactions**

A significant portion of the Company's revenues and expenses relate to transactions with Guardian Life and its affiliates.

Pursuant to an expense sharing agreement, Guardian Life charges the Company for the services of certain employees of Guardian Life engaged in the Company's business and for the Company's use of Guardian Life's centralized services such as equipment, data processing and communications. The total payable under this agreement at December 31, 2009 was \$6,701,130.

During the year, the Company earned revenues from GIAC for sales of GIAC's variable annuity and variable life insurance products. At December 31, 2009, the receivable for such revenues was \$232,044 and is included in commissions receivable.

During the year, the Company earned revenues from GIS for selling shares of RS Funds. At December 31, 2009, the receivable for such revenues was \$184,179 and is included in commissions receivable.

Cash equivalents at December 31, 2009 include \$1,461,014 invested in the RS Cash Management Fund, a fund of the RS Investment Management Co. LLC, which is a majority owned subsidiary of GIS.

The Company returned capital in the amount of \$20 million to GIAC on January 8, 2010.

**4. Other Liabilities**

Other liabilities include reserves for litigation and unpaid operating expenses.

**5. Income Taxes**

The components of the net deferred tax asset as of December 31, 2009 were as follows:

Deferred tax assets	
Reserve for Litigation	\$ 127,260
Contingent Commissions	30,215
Allowance for Bad Debt	58,173
Deferred tax assets	<u>\$ 215,648</u>
Deferred tax liabilities	
Contingent Insurance Receivable	\$ (5,330)
Unrealized Losses	(334)
Deferred tax liabilities	<u>\$ (5,664)</u>
Net deferred tax assets	\$ 209,984

**Park Avenue Securities LLC**  
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The Company's deferred taxes primarily reflect temporary differences related to allowances for bad debt expense and accruals for loss contingencies.

Deferred income taxes are generally recognized, based on enacted tax rates, when assets and liabilities have different values for financial statement and tax purposes. A valuation allowance is recorded to reduce any portion of the deferred tax asset that is expected to more likely than not be realized.

The gross deferred tax asset relates to temporary differences that are expected to reverse as net ordinary deductions. The Company's management has concluded that the deferred income tax assets are more likely than not to be realized. Therefore, no valuation allowance has been provided.

At December 31, 2009, the Company recorded a current Federal income tax receivable of \$299,461 due from Guardian Life, which is netted against due to Guardian Life Insurance Company of America in the accompanying Statement of Financial Condition.

**6. Net Capital Requirements**

PAS is subject to the Uniform Net Capital requirements of the Securities and Exchange Commission under Rule 15c3-1, which requires that the Company maintain net capital equal to the greater of \$250,000 or 6 2/3% of aggregate indebtedness. At December 31, 2009, the Company had net capital of \$32,064,272, which was \$31,203,443 above the \$860,829 required to be maintained. The ratio of aggregate indebtedness to net capital was 0.40 to 1. The Company is exempt from Rule 15c3-3 of the Securities Exchange Act of 1934 under paragraphs (k)(2)(i) and (k)(2)(ii) of that rule.

**7. Off-Balance Sheet Risk**

In the normal course of business, securities transactions of customers are introduced and cleared through a clearing broker. Pursuant to an agreement between the Company and the clearing broker, the clearing broker has the right to charge the Company for certain losses that result from transactions with such customers. The Company clears certain mutual fund transactions directly with sponsors. These activities may expose the Company to off-balance-sheet risk in the event the customer is unable to fulfill its contractual obligations and the Company has to sell the mutual fund at a loss.

The Company's policy is to monitor its customer and counter-party risk through the use of a variety of credit exposure reporting and control procedures, including reviewing, as considered necessary, the credit standing of each counterparty and customer with which it conducts business.

The Company, in its normal course of business, may enter into other legal contracts that contain several of these representations and warranties which provide general indemnifications. The Company's maximum exposure under these arrangements is unknown as this would involve future claims that may be against the Company that have not yet occurred. However, based on its experience, the Company expects the risk of loss to be remote.

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**8. Contingencies**

The Company was named by the same claimant in two separate FINRA arbitration proceedings that commenced in 2005. The claimant alleged that the Company interfered with the employment contracts of certain sales representatives, and that restrictive covenants of their employment agreements with their previous employer were violated. In February 2009, the FINRA arbitration panel resolved one of these proceedings and awarded the claimant approximately \$22,000,000 in damages. In September 2009, Guardian Life Insurance entered into a global settlement agreement whereby the claimant agreed to dismiss all lawsuits, which included an agreement between the Company and claimant to dismiss the arbitration award of \$22,000,000. As a result of the arbitration award being vacated, the Company no longer has a liability to the claimant.

The Company is involved in several lawsuits and claims from customers that allege violations of federal and state securities laws that arise in the ordinary course of business. While it is not possible to predict with certainty the ultimate outcome of these lawsuits and claims, management believes, after consultation with counsel, that resolution of these matters is not expected to have a material effect on the Company's financial condition. These matters, if resolved in a manner different from the estimates, could have a material adverse effect on earnings or cash flows when resolved in a future reporting period.

# **Park Avenue Securities LLC**

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**Statement of Financial Condition**

**December 31, 2009**