

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

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

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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 01/01/10 AND ENDING 12/31/10
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER:

Bel Air Securities, LLC

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

1999 Avenue of the Stars Suite 2800

(No. and Street)

Los Angeles

(City)

California

(State)

90067

(Zip Code)

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*

Ernst & Young LLP

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

725 S. Figueroa St.

(Address)

Los Angeles

(City)

California

(State)

90017

(Zip Code)

CHECK ONE:

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

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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).

* AB
3/12

OATH OR AFFIRMATION

I, Todd M. Morgan, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statements and supporting schedules pertaining to the firm of Bel Air Securities LLC, as of December 31, 2010, 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:

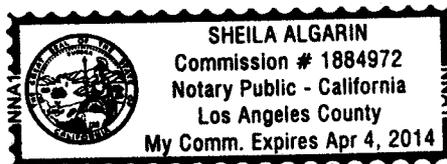
NONE



Notary Public



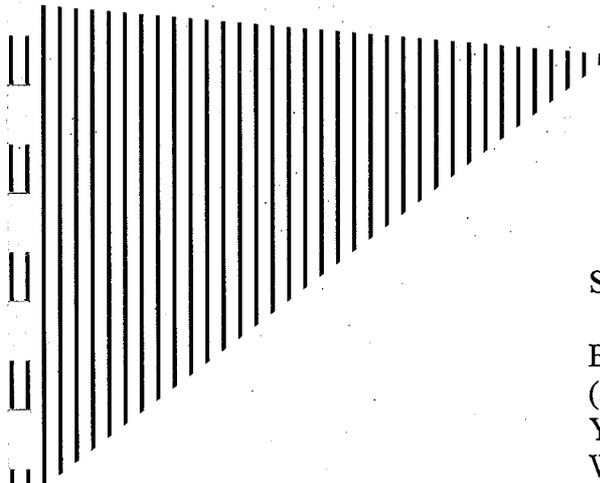
Signature
Senior Managing Director
Title



This report ** contains (check all applicable boxes):

- (a) Facing Page.
- (b) Statement of Financial Condition.
- (c) Statement of Income.
- (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.
- (o) Independent auditor's report on internal control.
- (p) Schedule of segregation requirements and funds in segregation – customers' regulated commodity futures account pursuant to Rule 171-5.

**For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).



STATEMENT OF FINANCIAL CONDITION

Bel Air Securities LLC
(a Delaware Limited Liability Company)
Year Ended December 31, 2010
With Report of Independent Registered Public
Accounting Firm

Ernst & Young LLP

 **ERNST & YOUNG**

Bel Air Securities LLC
(a Delaware Limited Liability Company)

Statement of Financial Condition

Year Ended December 31, 2010

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Report of Independent Registered Public Accounting Firm

The Members

Bel Air Securities LLC (a Delaware Limited Liability Company)

We have audited the accompanying statement of financial condition of Bel Air Securities LLC (the Company) as of December 31, 2010. This statement of financial condition is the responsibility of the Company's management. Our responsibility is to express an opinion on this statement of financial condition based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States. 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. We were not engaged to perform an audit of the Company's internal control over financial reporting. Our audit included 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 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.

In our opinion, the statement of financial condition referred to above presents fairly, in all material respects, the financial position of Bel Air Securities LLC at December 31, 2010, in conformity with U.S. generally accepted accounting principles.

Ernst + Young LLP

February 14, 2011

Bel Air Securities LLC
(a Delaware Limited Liability Company)

Statement of Financial Condition

December 31, 2010

Assets

Cash and cash equivalents	\$ 2,198,619
Receivable from brokers and dealers	88,849
Other assets	<u>122,240</u>
Total assets	<u><u>\$ 2,409,708</u></u>

Liabilities and members' equity

Liabilities:

Accounts payable and accrued liabilities	\$ 140,219
Due to Bel Air Investment Advisors LLC	118,009
Due to former members	<u>17,219</u>
Total liabilities	275,447

Members' equity	<u>2,134,261</u>
Total liabilities and members' equity	<u><u>\$ 2,409,708</u></u>

See accompanying notes.

Bel Air Securities LLC
(a Delaware Limited Liability Company)

Notes to Statement of Financial Condition

December 31, 2010

1. The Company

Bel Air Securities LLC (the Company) is a registered broker-dealer in securities under the Securities Exchange Act of 1934 (the Act) and is a member of the Financial Industry Regulatory Authority (FINRA) and various state regulatory agencies. The Company's principal business consists of the execution of securities transactions on a fully disclosed basis related to the accounts of clients of Bel Air Investment Advisors LLC (BAIA).

The Company does not carry customer accounts nor perform custodial functions related to customer securities and is, therefore, exempt from the provisions of Rule 15c3-3 of the Securities and Exchange Commission.

2. Summary of Significant Accounting Policies

Use of Estimates

The preparation of the statement of financial condition in conformity with accounting principles generally accepted in the United States 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. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Company considers all highly liquid investments with original maturities of less than 90 days as cash equivalents. Cash and cash equivalents include cash in readily available checking, money market and brokerage accounts.

The carrying amounts of cash and cash equivalents, accounts receivable, accounts payable, and accrued liabilities approximate fair value because of the short-term nature of those instruments.

Receivable from Brokers and Dealers

The Company clears certain of its proprietary and customer transactions through another broker-dealer on a fully disclosed basis. The amount receivable from brokers and dealers relates to these transactions.

Bel Air Securities LLC
(a Delaware Limited Liability Company)

Notes to Statement of Financial Condition (continued)

2. Summary of Significant Accounting Policies (continued)

Other Assets

Included in other assets is \$116,250 of placement fees receivable from investors in a private placement.

Income Taxes

The Company is classified as a partnership for income tax purposes. Accordingly, all tax attributes (items of gain, loss, credits, etc.) will be passed through to its members. Although the Company is not subject to income taxes, it is liable for various state fees.

The Company recognizes the tax benefits of uncertain tax positions only where the position is "more likely than not" to be sustained assuming examination by tax authorities. The Company is required to analyze all open tax years, as defined by the statute of limitations, for all major jurisdictions, which includes federal and certain states. Open tax years are 2007 through 2010. The Company has had no examinations in progress and none are expected at this time. As of December 31, 2010, the Company has reviewed all open tax years and major jurisdictions and has concluded that there is no expected tax liability resulting from unrecognized tax benefits relating to uncertain income tax positions taken or expected to be taken in future tax returns.

3. Member Withdrawals

During 2007, two members withdrew from the Company. In accordance with the Company's operating agreement, 20% of the related capital accounts were paid to the withdrawing members in 2007, and the remaining balances are due by February 28, 2012. Balances may be prepaid at any time at the option of the Company. During 2010, \$17,218 was paid, and at December 31, 2010, \$17,219 remains unpaid.

4. Significant Customers and Related-Party Transactions

The Company shares office space, facilities, and personnel with BAIA, and is charged for these services according to an expense sharing agreement. The Company was charged for services covered by the expense-sharing agreement, of which \$118,009 remained unpaid at December 31, 2010.

Bel Air Securities LLC
(a Delaware Limited Liability Company)

Notes to Statement of Financial Condition (continued)

5. Net Capital Requirement

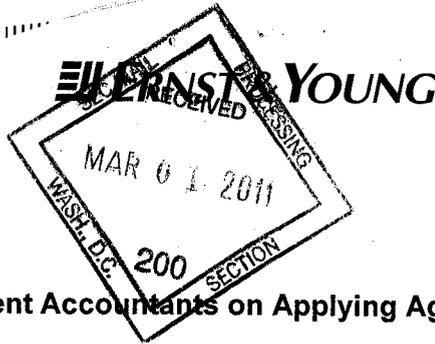
The Company, as a registered broker and dealer in securities, is subject to the Securities and Exchange Commission Uniform Net Capital Rule (SEC Rule 15c3-1), which requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital, as defined, does not exceed 15-to-1. The requirements also provide that equity capital may not be withdrawn or distributions paid if certain minimum net capital requirements are not met. At December 31, 2010, the Company's net capital, as defined, was \$2,012,021 as compared to a minimum requirement of \$18,363, and its ratio of aggregate indebtedness to net capital was 0.14 to 1.

6. Indemnification Agreements

The Company enters into contracts that contain a variety of indemnifications. The Company's maximum exposure under these arrangements is unknown. However, the Company has not had prior claims or losses pursuant to these contracts and expects the risk of loss to be remote.

7. Subsequent Event

On January 12, 2011, the Company distributed \$1,500,000 in capital to its members. The Company has evaluated subsequent events through the issuance date of the financial statements, and determined no other events have occurred that require disclosure.



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Fax: +1 213 977 3729

Report of Independent Accountants on Applying Agreed-Upon Procedures

To the Members of Bel Air Securities, LLC:

We have performed the procedures enumerated below, which were agreed to by the Board of Directors and management of Bel Air Securities, LLC, the Securities Investor Protection Corporation (SIPC), the Securities and Exchange Commission, and the Financial Industry Regulatory Authority, in accordance with Rule 17a-5(e)(4) of the Securities Exchange Act of 1934. We performed the procedures solely to assist the specified parties in evaluating Bel Air Securities, LLC's compliance with the applicable instructions of the General Assessment Reconciliation (Form SIPC-7) for the year ended December 31, 2010. Bel Air Securities, LLC's management is responsible for Bel Air Securities, LLC's compliance with those requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures we performed and our findings are as follows:

1. Compared the listed assessment payments in Form SIPC-7 with respective cash disbursement record entries such as cash general ledger and the bank statement.

We did not note any exceptions.

2. Compared the amounts reported as Total Revenues and Commissions paid to other broker-dealers on Part IIA of the audited FOCUS report Form X-17A-5 for the year ended December 31, 2010 with the amounts reported in Form SIPC-7 for the year ended December 31, 2010.

We did not note any exceptions.

3. Compared any adjustments reported in Form SIPC-7 with supporting schedules and working papers.

We did not note any exceptions.

4. Proved the arithmetical accuracy of the calculations reflected in Form SIPC-7 and in the related supporting schedules and working papers supporting the adjustments.

We did not note any exceptions.

5. Compared the amount of any overpayment applied to the current assessment with the Form SIPC-7 on which it was originally computed.

We did not note any overpayment in the Form SIPC-7.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on compliance with the applicable instructions of the General Assessment Reconciliation (Form SIPC-7) for the year ended December 31, 2010. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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.

Ernst + Young LLP

February 14, 2011

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