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ED REPORT

FORM X-17A-5

PART III

SEC FILE NUMBER

8-105683

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 01/01/11 AND ENDING 12/31/11
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: CW Securities, LLC

OFFICIAL USE ONLY

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

FIRM I.D. NO.

8848 Cedar Springs Lane, Suite 201
(No. and Street)

Knoxville TN 37923
(City) (State) (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT
Micheal Cox, Owner 865-690-9886
(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Alexander Thompson Arnold PLLC
(Name - if individual, state last, first, middle name)

1148-A South Main Street Milan TN 38358
(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)

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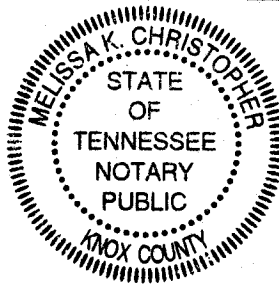
OATH OR AFFIRMATION

I, Michael E. Cox, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of CW Securities, LLC, as of December 31, 2011, 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

[Signature]
Signature
Chief Manager
Title

Melissa K. Christopher
Notary Public EXP: 11/04/2012



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).

CW SECURITIES, LLC
FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010

**CW SECURITIES, LLC
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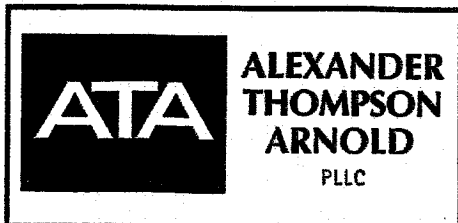
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FINANCIAL SECTION



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Independent Auditor's Report

To the Members
CW Securities, LLC
Knoxville, Tennessee

We have audited the accompanying Statement of Financial Condition of CW Securities, LLC (Company) as of December 31, 2011, and the related statements of income, members' 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. The financial statements of the Company as of December 31, 2010, were audited by other auditors whose report dated February 26, 2011, expressed an unqualified opinion on those statements.

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 December 31, 2011, financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2011, 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 financial statements as a whole. The supplemental schedule as listed in the accompanying table of contents is presented for purposes of additional analysis and is not a required part of the financial statements, but is supplementary information required by regulations under rule 17a-5 of the Securities Exchange Act of 1934. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

Alexander Thompson Arnold PLLC
Milan, Tennessee
February 18, 2012

Dyersburg, TN
Henderson, TN
Jackson, TN
Martin, TN
McKenzie, TN

Milan, TN
Murray, KY
Paris, TN
Trenton, TN
Union City, TN

CW SECURITIES, LLC
STATEMENTS OF FINANCIAL CONDITION
December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Assets		
Current assets		
Cash and cash equivalents	\$ 19,793	\$ 16,379
Commissions receivable	<u>14,669</u>	<u>29,008</u>
 Total current assets	 34,462	 45,387
Property and equipment	11,700	11,700
Accumulated depreciation	<u>(11,700)</u>	<u>(11,322)</u>
 Property and equipment, net	 <u>-</u>	 <u>378</u>
 Total assets	 <u>\$ 34,462</u>	 <u>\$ 45,765</u>
 Liabilities and members' equity		
Commissions payable	\$ 14,654	\$ 27,988
Members' equity	<u>19,808</u>	<u>17,777</u>
 Total liabilities and members' equity	 <u>\$ 34,462</u>	 <u>\$ 45,765</u>

The accompanying notes are an integral part of these financial statements.

CW SECURITIES, LLC
STATEMENTS OF INCOME

For the Years Ended December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Revenue		
Variable insurance and annuities commissions	\$ 480,810	\$ 594,015
Fees from advisory services	150,010	151,219
Mutual fund commissions	172,633	134,696
Private placement commissions	9	105,721
License revenue	10,143	9,400
Other income	749	-
Interest income	54	1,496
Total revenue	<u>814,408</u>	<u>996,547</u>
Expenses		
Commissions	615,964	849,576
Investment advisory fees	105,441	47,557
Contract personnel	31,218	58,018
License, registration and fees	15,668	17,024
Other operating expenses	44,086	25,730
Total expenses	<u>812,377</u>	<u>997,905</u>
Net income (loss)	<u>\$ 2,031</u>	<u>\$ (1,358)</u>

The accompanying notes are an integral part of these financial statements.

CW SECURITIES, LLC
STATEMENTS OF MEMBERS' EQUITY
December 31, 2011 and 2010

Balance at January 1, 2010	\$ 19,135
Net loss for the year	<u>(1,358)</u>
Balance at December 31, 2010	17,777
Net income for the year	<u>2,031</u>
Balance at December 31, 2011	<u>\$ 19,808</u>

The accompanying notes are an integral part of these financial statements.

CW SECURITIES, LLC
STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Cash flows from operating activities		
Net income (loss)	\$ 2,031	\$ (1,358)
Adjustments to reconcile net income(loss) to net cash provided (used) by operating activities		
Depreciation	378	567
(Increase) decrease in commissions receivable	14,339	(10,005)
Increase (decrease) in commissions payable	<u>(13,334)</u>	<u>8,737</u>
Net cash provided (used) by operating activities	3,414	(2,059)
Cash and cash equivalents at beginning of the period	<u>16,379</u>	<u>18,438</u>
Cash and cash equivalents at end of the period	<u>\$ 19,793</u>	<u>\$ 16,379</u>

The accompanying notes are an integral part of these financial statements.

CW SECURITIES, LLC
NOTES TO FINANCIAL STATEMENTS
For the Years Ended December 31, 2011 and 2010

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

A. Description of Business

The Company is an investment advisory firm, registered in the State of Tennessee, and is a member of the National Association of Securities Dealers, Inc. (NASD). The Company sells various investments to its clients who are primarily located in the eastern region of the United States.

B. Commissions Receivable

Trade accounts receivable are stated at the amount management expects to collect from balances outstanding at year end. Based on management's assessment of the credit history with its broker-dealer and other customers having outstanding balances and current relationships with them, it has concluded that realization losses on balances outstanding at year end will be immaterial.

C. Income Taxes

The Company recognizes taxable income under the cash basis of accounting. Accordingly, income is recognized in different periods for income tax reporting purposes and financial reporting purposes. Other temporary timing differences result principally from differences in methods of reporting depreciation.

As a limited liability company, all current and deferred federal taxable income of the Company is passed through to the member who is responsible for payment of any federal income taxes thereon. The State of Tennessee taxes the income of limited liability companies to the extent that their income is not subjected to federal self-employment taxes. Accordingly, no Tennessee excise tax has been accrued.

D. Cash Flows

For purposes of reporting cash flows, the Company considers investments readily convertible into cash without significant loss due to penalties or interest, deposits in banks, and certificates of deposit to be cash and cash equivalents.

E. Property and Equipment

Property and equipment is recorded at cost. The cost of property and equipment is depreciated using the straight-line method over the estimated useful lives of the respective assets. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts and any resulting gain or loss is recognized in operations for the period. The cost of repairs and maintenance is charged to expense as incurred.

F. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles and prevailing industry practices requires management to make estimates and assumptions that affect the reported amounts of 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.

CW SECURITIES, LLC
NOTES TO FINANCIAL STATEMENTS
For the Years Ended December 31, 2011 and 2010

G. Concentrations of Credit Risk

Approximately 76 and 64 percent of the commissions expense is incurred by non-member, commissioned representatives for the years ended December 31, 2011 and 2010, respectively. Accordingly, a significant portion of the commission revenue results from the related transactions.

The Company maintains its cash balances in one financial institution located in Knoxville, Tennessee. The balance is insured by the Federal Deposit Insurance Corporation up to \$250,000 as of December 31, 2011 and 2010.

H. Subsequent Events

Management has evaluated subsequent events through February 18, 2012, the date which the financial statements were available to be issued, and no items of any significant nature were noted.

NOTE 2 – DETAILED NOTES ON ACCOUNTS

A. Subordinated Liabilities

At December 31, 2011 and 2010, there were no liabilities pledged to general creditors.

NOTE 3 – RELATED PARTY TRANSACTIONS

During the years ended December 31, 2011 and 2010, the Company paid commissions and investment advisory fees to one of the Company's members in the amount of \$255,285 and \$357,261, respectively. In addition, approximately \$383 and \$536 commissions payable to this individual was included in accrued expenses as of December 31, 2011 and 2010, respectively. As of December 31, 2011 and 2010, the amount of related party accounts receivable to this individual was \$425 and \$484, respectively.

An investment advisory firm owned by the organizing member of the Company provides facilities, personnel, and office supplies. Related expenses amounted to \$44,523 and \$31,218 for the years ended December 31, 2011 and 2010, respectively.

NOTE 4 – NET CAPITAL REQUIREMENTS

The Company is subject to the Uniform Net Capital requirement of the Securities and Exchange Commission under Rule 15c3-1, which requires a minimum net capital of the greater of \$5,000 or 6 2/3 percent of aggregate indebtedness, as defined. As of December 31, 2011, the Company's net capital amounted to \$19,021 as computed under Rule 15c3-1, exceeding the minimum capital requirement by \$14,021. In addition, Rule 15c3-1 requires that the Company's net capital ratio (ratio of aggregate indebtedness to net capital) not exceed 15 to 1. The actual net capital ratio at December 31, 2011, was .77 to 1.

SUPPLEMENTARY INFORMATION SECTION

CW SECURITIES, LLC
COMPUTATION OF NET CAPITAL
For the Year Ended December 31, 2011

	<u>Reported in Form X-17A-5</u>	<u>Reconciling Items</u>	<u>Reported in Audit Report</u>
Computation of net capital pursuant to Rule 15c3-1 of the Securities and Exchange Commission Act of 1934 for Investment Advisory			
Total members' equity	\$ 19,808	\$ -	\$ 19,808
Deductions:			
Non allowable assets	<u>(774)</u>	<u>-</u>	<u>(774)</u>
Net capital before haircuts on securities positions	19,034	-	19,034
Haircuts on security positions	<u>(13)</u>	<u>-</u>	<u>(13)</u>
Net capital	<u>\$ 19,021</u>	<u>\$ -</u>	<u>\$ 19,021</u>
Computation of basic net capital requirement			
Minimum net capital required	\$ 996	\$ -	\$ 996
Minimum dollar net capital requirement	\$ 5,000	\$ -	\$ 5,000
Net capital requirement	\$ 5,000	\$ -	\$ 5,000
Excess net capital	\$ 14,021	\$ -	\$ 14,021
Computation of aggregate indebtedness			
Total liabilities from balance sheet/aggregate indebtedness	\$ 14,654	\$ -	\$ 14,654
Percentage of aggregate indebtedness to net capital	77%	-	77%

See independent auditor's report.

INTERNAL CONTROL SECTION



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- Kentucky Society of Certified Public Accountants

Report on Internal Control

To the Members
CW Securities, LLC
Knoxville, Tennessee

In planning and performing our audit of the financial statements of CW Securities, LLC. (Company) as of and for the year ended December 31, 2011, 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 compliance with such practices and procedures that we considered relevant to the objectives stated in Rule 17a-5(g), in the following:

- 1) Making the periodic computations of aggregate indebtedness (or aggregate debits) and net capital under Rule 17a-3(a)(11) and the reserve required by Rule 15c3-3(e).
- 2) Making the quarterly securities examinations, counts, verifications, and comparisons, and the recordation of differences required by Rule 17a-13.
- 3) 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.
- 4) Obtaining and maintaining physical possession or control of all fully paid and excess margin securities of customers as required by Rule 15c3-3.

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 previously 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.

Dyersburg, TN	Milan, TN
Henderson, TN	Murray, KY
Jackson, TN	Paris, TN
Martin, TN	Trenton, TN
McKenzie, TN	Union City, TN

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 deficiency in internal control 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 and correct, misstatements on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Company's financial statements will not be prevented, or detected and corrected, on a timely basis.

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 weakness, as defined previously.

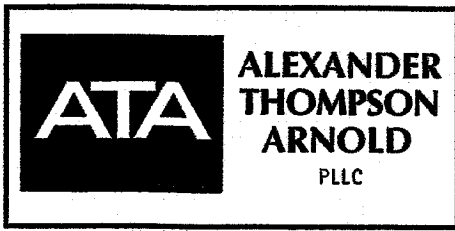
We understand that the practices and procedures that accomplish the objectives referred to in the second paragraph of this communication are considered by the SEC to be adequate for its purposes in accordance with the Securities Exchange Act of 1934 and related regulations, and that practices and procedures 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, 2011, to meet the SEC's objectives.

This report is intended solely for the information and use of management, Board of Directors, others within the organization, the SEC, and other regulatory agencies that rely on rule 17a-5(g) under the Securities Exchange Act of 1934, and is not intended to be and should not be used by anyone other than these specified parties.

Alexander Thy And PLLC

Milan, Tennessee
February 18, 2012

AGREED-UPON PROCEDURES SECTION



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**Independent Accountant's Report on Applying Agreed-Upon Procedures
Related to the Entity's SIPC Assessment Reconciliation**

To the Members
CW Securities, LLC
Knoxville, Tennessee

In accordance with Rule 17a-5(e)(4) under the Securities Exchange Act of 1934, we have performed the procedures enumerated below with respect to the accompanying Schedule of Assessment and Payment to the Securities Investor Protection Corporation (SIPC) for the year ended December 31, 2011, which were agreed to by CW Securities, LLC and the Securities and Exchange Commission, Financial Industry Regulatory Authority, Inc., and SIPC, solely to assist you and the other specified parties in evaluating CW Securities, LLC's compliance with the applicable instructions of the General Assessment Reconciliation (Form SIPC-7). CW Securities, LLC's management is responsible for their 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 records entries noting no differences;
- 2) Compared the amounts reported on the audited Form X-17A-5 for the year ended December 31, 2011, as applicable, with the amounts reported in Form SIPC-7 for the year ended December 31, 2011, noting no differences;
- 3) Compared any adjustments reported in Form SIPC-7 with supporting schedules and working papers noting no differences;
- 4) Proved the arithmetical accuracy of the calculations reflected in Form SIPC-7 and in the related schedules and working papers supporting the adjustments noting no differences; and
- 5) Compared the amount of any overpayment applied to the current assessment with the Form SIPC-7 on which it was originally computed noting no differences.

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We were not engaged to, and did not conduct an examination, the objective of which would be the expression of an opinion on compliance. 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.

Alexander T. Anderson
February 18, 2012
Milan, Tennessee