



14046066

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

OMB APPROVAL  
OMB Number: 3235-0123  
Expires: March 31, 2016  
Estimated average burden  
hours per response . . . 12.00

SEC  
Mail Processing  
Center

FEB 27 2014

Washington DC  
405

SEC FILE NUMBER  
8-68672

ANNUAL AUDITED REPORT  
FORM X-17A-5  
PART III  
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 01/01/13 AND ENDING 12/31/13  
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER - DEALER:

TCG Securities, L.L.C.

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

1001 Pennsylvania Avenue, NW, Suite 220 South  
(No. and Street)

Washington DC 20004-2505  
(City) (State) (Zip Code)

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

Rafael Beck (212) 509-7800  
(Area Code - Telephone No.)

OFFICIAL USE ONLY  
FIRM ID. NO.

B. ACCOUNTANT IDENTIFICATION

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

Ernst & Young LLP  
(Name - if individual, state last, first, middle name)

8484 Westpark Drive McLean Virginia 22102  
(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 (3-91)

\*  
mm

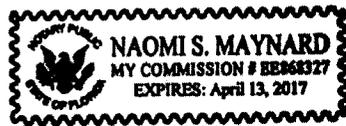
DD  
3/20/14

**AFFIRMATION**

I, Rafael Beck, affirm that, to the best of my knowledge and belief, the accompanying financial statements and supplemental schedules pertaining to TCG Securities, L.L.C. for the year ended December 31, 2013, are true and correct. I further affirm that neither the Company nor any officer or director has any proprietary interest in any account classified solely as that of a customer.

Rafael Beck  
Signature  
Financial and Operations Principal  
Title

[Signature] 2/21/14  
Notary Public



# **TCG Securities, L.L.C.**

**Statement of Financial Condition  
Pursuant to Rule 17a-5 under the  
Securities Exchange Act of 1934  
December 31, 2013**

# TCG Securities, L.L.C.

## TABLE OF CONTENTS

---

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

- Report of Independent Registered Public Accounting Firm.
- Facing Page.
- Statement of Financial Condition.
- Statement of Operations.
- Statement of Changes in Members' Equity.
- Statement of Cash Flows.
- Statement of Changes in Liabilities Subordinated to Claims of General Creditors (not applicable).
  
- Computation of Net Capital for Brokers and Dealers Pursuant to Rule 15c3-1 under the Securities Exchange Act of 1934.
- Computation for Determination of Reserve Requirements for Brokers and Dealers Pursuant to Rule 15c3-3 under the Securities Exchange Act of 1934.
- Information Relating to the Possession or Control Requirements for Brokers and Dealers Pursuant to Rule 15c3-3 under the Securities Exchange Act of 1934 (not applicable).
- A Reconciliation, including appropriate explanations, of the Computation of Net Capital Pursuant to Rule 15c3-1 (included with item (g)) and the Computation for Determination of Reserve Requirements Under Rule 15c3-3 (included in item (g)).
- A Reconciliation Between the Audited and Unaudited Statements of Financial Condition With Respect to Methods of Consolidation (not applicable).
- An Affirmation.
- A copy of the SIPC Supplemental Report.
- A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit (Supplemental Report on Internal Control).
- Independent Auditors' Report on Internal Control Required by SEC Rule 17a-5(g)(1).

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

# TCG Securities, L.L.C.

Table of contents  
December 31, 2013

---

	Page(s)
<b>Report of Independent Registered Public Accounting Firm.....</b>	<b>1</b>
<b>Financial Statements</b>	
Statement of Financial Condition .....	2
Notes to Statement of Financial Condition.....	3-5



Ernst & Young LLP  
Westpark Corporate Center  
8484 Westpark Drive  
McLean, VA 22102

Tel: +1 703 747 1000  
Fax: +1 703 747 0100  
ey.com

## Report of Independent Registered Public Accounting Firm

The Members of  
TCG Securities, L.L.C.

We have audited the accompanying statement of financial condition of TCG Securities, L.L.C. (the Company) as of December 31, 2013, and the related notes to the statement of financial condition.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the statement of financial condition in conformity with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of a statement of financial condition that is free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on the 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 financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the statement of financial condition in order to design 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. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the statement of financial condition.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the statement of financial condition referred to above presents fairly, in all material respects, the financial position of TCG Securities, L.L.C. as of December 31, 2013, in conformity with U.S. generally accepted accounting principles.

February 24, 2014

# TCG Securities, L.L.C.

## Statement of Financial Condition December 31, 2013

---

<b>Assets</b>	
Cash and cash equivalents	\$ 2,353,085
Fees receivable	424,145
Prepaid expense	75,097
Other asset	16,785
	<hr/>
Total assets	\$ 2,869,112
 <b>Liabilities and Members' Equity</b>	
Liabilities	
Income taxes payable	\$ 73,487
Deferred income	57,452
Due to affiliate	792
Accrued expense	5,003
	<hr/>
Total liabilities	136,734
 Members' equity	
	<hr/>
	2,732,378
	<hr/>
Total liabilities and members' equity	\$ 2,869,112

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

# TCG Securities, L.L.C.

## Notes to Statement of Financial Condition December 31, 2013

---

### 1. Organization and Business

TCG Securities, L.L.C. (the “Company”), a majority-owned subsidiary of Carlyle Investment Management, L.L.C. (the “Parent”), is a limited liability company and was formed under the laws of the State of Delaware. The Company is a broker-dealer registered with the Securities and Exchange Commission (the “SEC”) and a member of the Financial Industry Regulatory Authority (“FINRA”).

The Company acts as a private placement agent with respect to the offer and sale of interests in affiliated funds.

The liability of the Members is limited to the capital held by the Company.

### 2. Summary of Significant Accounting Policies

#### Basis of Presentation

These financial statements were prepared in conformity with accounting principles generally accepted in the United States of America (“U.S. GAAP”) which 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 amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

#### Revenue Recognition

All fees and advisory revenues are recognized based on the terms of the contracts and are recorded when the fees are earned, fixed or determinable, and collectible.

#### Cash Equivalents

The Company considers investments in money market mutual funds to be cash equivalents.

#### Other Asset

A deposit with Central Registration Depository (“CRD”) is included as an other asset on the statement of financial condition. FINRA operates the CRD and uses the funds deposited in order to process registrations and other regulatory assessments of the Company.

#### Income Taxes

The Company is a limited liability company, and is treated as a partnership for federal income tax reporting purposes. The Internal Revenue Code (“IRC”) provides that any income or loss is passed through to the members for federal, state and certain local income taxes. Accordingly, the Company has not provided for federal and state income taxes. The Company is subject to the New York City Unincorporated Business Tax.

At December 31, 2013, management has determined that the Company had no uncertain tax positions that would require financial statement recognition. This determination will always be subject to ongoing reevaluation as facts and circumstances may require. The Company remains subject to income tax audits for all periods subsequent to 2009.

## TCG Securities, L.L.C.

### Notes to Statement of Financial Condition December 31, 2013

---

#### 3. Fair Value Measurements

At December 31, 2013, the carrying amount of the Company's investment in a money market mutual fund approximates fair value.

#### 4. Transactions with Related Parties

The Company maintains an administrative services agreement with the Parent. Pursuant to the agreement, the Parent provides accounting, administration, information technology, compliance services, office space, employee services and other services. The Parent provides these services at no cost to the Company. Management has determined that the value of services provided to the Company for the year ended December 31, 2013 was approximately \$33.7 million.

The Company provided placement services to affiliates. Pursuant to the terms of Placement Agent Agreements, the Company receives fees for the services it provides to the affiliates. Approximately 100% of the Company's total revenues during the year ended December 31, 2013 comes from these fees. Below is a summary of the fees earned and future fees remaining to be recognized:

(In Thousands)

Year ended December 31,	Total fees per agreements	Fees recognized during the period	Cumulative fees remaining to be recognized <sup>(1)</sup>
2011	\$ 397	\$ 132	\$ 265
2012	4,750	1,989	3,026
2013	7,679	4,088	6,617
Total	<u>\$ 12,826</u>	<u>\$ 6,209</u>	

<sup>(1)</sup>Fees remaining to be recognized are subject to reduction based on future redemption of offered interests.

All transactions with related parties are settled in the normal course of business. The terms of any of these arrangements may not be the same as those that would otherwise exist or result from agreements and transactions among unrelated parties.

#### 5. Regulatory Requirements

The Company is subject to SEC Uniform Net Capital Rule 15c3-1 under the Securities Exchange Act of 1934, 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, 2013, the Company had net capital of \$2,204,601 which exceeded the required net capital by \$2,195,485.

The Company is exempt from the provisions of Rule 15c3-3 under the Securities Exchange Act of 1934 as the Company does not hold customers' cash or securities.

# TCG Securities, L.L.C.

## Notes to Statement of Financial Condition December 31, 2013

---

### 6. Concentrations

All cash deposits are held by one financial institution and cash equivalents are held by a broker-dealer who is an affiliate of the custodian bank and therefore are subject to the credit risk at that financial institution. The Company has not experienced any losses in such accounts and does not believe there to be any significant credit risk with respect to these deposits.

Fees receivable from two affiliates amount to \$424,145 or approximately 100% of the total fees receivable on the statement of financial condition as of December 31, 2013.

### 7. Recent Regulatory Developments

In July 2013, the U.S. Securities and Exchange Commission ( "SEC") adopted amendments to its broker-dealer reports rules, which will now require, among other things, that audits of all SEC-registered broker-dealers be conducted under Public Company Accounting Oversight Board ("PCAOB") standards for fiscal years ending on or after June 1, 2014, effectively replacing the American Institute of Certified Public Accountants with the PCAOB as the auditing standard-setter for auditors of broker-dealers, and replacing Generally Accepted Auditing Standards with PCAOB standards for broker-dealers that are subject to audit. Broker-dealers will be required to file either compliance reports or exemption reports, as applicable, and file reports of independent public accountants covering compliance reports or exemption reports (prepared in accordance with the PCAOB standards). Additionally, effective December 31, 2013, if a broker-dealer is a SIPC member firm, broker-dealer audited financial statements will also be required to be submitted to SIPC, and broker-dealers will be required to file a new quarterly Form Custody.

In addition, SEC adopted amendments to various financial responsibility rules. For a broker-dealer such as the Company, these amendments were mostly technical in nature and effectively ratified various interpretive and no-action positions taken by SEC staff over many years or which conformed to existing practices or self-regulatory organization rules.

Management has evaluated the implications of the amendments to the broker-dealer reports and the financial responsibility rules and does not expect that the adoption of the amendments will have a material impact on the Company or its financial statements.