

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

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

RECEIVED  
MAR 04 2014  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

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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 01/01/2013 AND ENDING 12/31/2013  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER:  
White, Weld & Co. Securities, LLC  
ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

OFFICIAL USE ONLY
FIRM I.D. NO.

156 West 56th Street, 10th Floor

(No. and Street)

New York

N.Y.

10019

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT  
Saul Suzzan-Chief Financial Officer 212-486-4490  
(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

McGladrey LLP

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

1185 Avenue of the Americas

New York

N.Y.

10036

(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)

OATH OR AFFIRMATION

I, Michael D. Taliercio, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of White, Weld & Co. Securities, LLC, as of December 31, 2013, 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:

[Handwritten Signature]
Signature

President
Title

[Handwritten Signature]
Notary Public

CYNTHIA GIANNATASIO
Notary Public, State of New York
No. 01GI6062799
Qualified in New York County
Commission Expires Aug. 20, 2017

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. (Bound under separate cover)
(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

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

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## Independent Auditor's Report

To the Member  
White, Weld & Co. Securities, LLC  
New York, New York

### Report on the Financial Statement

We have audited the accompanying statement of financial condition of White, Weld & Co. Securities, LLC (the "Company") as of December 31, 2013 that is filed pursuant to Rule 17a-5 under the Securities Exchange Act of 1934, and the related notes (the financial statement).

### Management's Responsibility for the Financial Statement

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

### Auditor's Responsibility

Our responsibility is to express an opinion on this financial statement 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 statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, 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 financial statement 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 financial statement.

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 financial statement referred to above presents fairly, in all material respects, the financial position of White, Weld & Co. Securities, LLC as of December 31, 2013, in accordance with accounting principles generally accepted in the United States of America.

*McGladrey LLP*

New York, New York  
February 28, 2014

**White, Weld & Co. Securities, LLC**

**Statement of Financial Condition**

**December 31, 2013**

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**ASSETS**

Cash	\$ 584,488
Due From Clearing Brokers (Note 4)	2,410,754
Deposit With Clearing Broker	250,000
Securities Owned, at fair value (Note 3)	44,906
Property and Equipment, at cost (net of accumulated depreciation of \$3,603)	65,053
Other Assets	<u>197,251</u>
<b>Total assets</b>	<b><u><u>\$ 3,552,452</u></u></b>

**LIABILITIES AND MEMBER'S EQUITY**

Liabilities:

Accrued expenses and other liabilities	<u>\$ 509,432</u>
<b>Total liabilities</b>	509,432
Commitments (Note 7)	
Member's Equity	<u>3,043,020</u>
<b>Total liabilities and Member's equity</b>	<b><u><u>\$ 3,552,452</u></u></b>

See Notes to Statement of Financial Condition.

## **White, Weld & Co. Securities, LLC**

### **Notes to Statement of Financial Condition**

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#### **Note 1. Description of Organization**

White, Weld & Co. Securities, LLC, (the "Company"), formerly Braver Stern Securities LLC, a wholly owned subsidiary of White, Weld & Co. Financial Services, LLC (the "Parent"), is a broker-dealer registered with the Securities and Exchange Commission (the "SEC") and is a member of the Financial Industry Regulatory Authority, Inc. ("FINRA").

In February 2013, the Parent purchased 24.9% of the Company's membership interest and acquired the remaining 75.1% membership interest in March 2013 from the Company's former owner, Braver, Stern & Co. Inc., pursuant to the membership interest purchase agreement. The transaction was approved by FINRA on November 6, 2013.

In November 2013, the Company changed its name from Braver Stern Securities LLC to White, Weld & Co. Securities, LLC.

The Company operates under the provisions of Paragraph (k)(2)(ii) of Rule 15c-3-3 of the Securities Exchange Act of 1934 and, accordingly, is exempt from the remaining provisions of that Rule. Essentially, the requirements of Paragraph (k)(2)(ii) provide that the Company clear all transactions on behalf of customers on a fully disclosed basis with a clearing broker-dealer and promptly transmit all customer funds and securities to the clearing broker-dealer. The clearing broker-dealer carries all of the accounts of the customers and maintains and preserves all related books and records as are customarily kept by a clearing broker-dealer.

The Company carries no margin accounts and does not hold funds or securities for or owe money or securities to customers.

#### **Note 2. Summary of Significant Accounting Policies**

Basis of Presentation: The Company follows accounting principles generally accepted in the United States of America ("GAAP"), as established by the Financial Accounting Standards Board (the "FASB"), to ensure consistent reporting of financial condition, results of operations, and cash flows.

Use of Estimates: The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingencies in the financial statements and accompanying notes, as well as the reported amount of revenue and expenses. Actual results could differ from those estimates.

Securities Transactions: Transactions in securities are recorded on a trade-date basis. The resulting unrealized gains and losses on securities owned and other investments are reflected in revenue at the trade date.

Property and Equipment: Property and equipment is recorded at cost and is depreciated on a straight-line basis over the estimated useful lives of the assets.

Due to/from Brokers: Amounts due from and due to clearing brokers relating to trades pending settlement are netted by the broker in due to clearing brokers in the statement of financial condition.

Commissions: Commissions and related clearing expenses are recorded on a trade-date basis as securities transactions occur.

Income Taxes: As a single-member limited liability company, the Company is not subject to federal, state or local income taxes. The Company's income or loss is reportable by its Member (Parent) on its corporate income tax return.

Notes to Statement of Financial Condition

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**Note 2. Summary of Significant Accounting Policies (Continued)**

FASB Accounting Standards Codification ("ASC") Topic 740 ("ASC 740"), *Income Taxes*, provides guidance for how uncertain tax positions should be recognized, measured, disclosed and presented in the financial statements. This requires the evaluation of tax positions taken or expected to be taken in the course of preparing tax returns to determine whether the tax positions are more likely than not of being sustained when challenged or when examined by the applicable tax authority. Tax positions deemed not to meet the more-likely-than-not threshold would be recorded as a tax expense and liability in the current year. For the year ended December 31, 2013, management has determined that there are no material uncertain income tax positions. The Company is not subject to examination by U.S. federal, state or local tax authorities for tax years before 2010.

**Note 3. Fair Value of Financial Instruments**

FASB ASC Topic 820 ("ASC 820"), *Fair Value Measurements and Disclosures*, defines fair value, establishes a fair value hierarchy based on the quality of inputs used to measure fair value, and provides for disclosure requirements for fair value measurements. Fair value is the price that would be received to sell an asset and paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Company utilizes valuation techniques to maximize the use of observable inputs and minimize the use of unobservable inputs. Assets and liabilities recorded at fair value are categorized based upon the level of judgment associated with the inputs used to measure their value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and lowest priority to unobservable inputs (Level 3). Inputs are broadly defined as assumptions market participants would use in pricing an asset or liability. The three levels of the fair value hierarchy are described below:

- Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.
- Level 2: Inputs other than quoted prices within Level 1 that are observable for the asset or liability, either directly or indirectly, and the fair value is determined through the use of models or other valuation methodologies. A significant adjustment to a Level 2 input could result in the Level 2 measurement becoming a Level 3 measurement.
- Level 3: Inputs are unobservable for the asset or liability and include situations where there is little, if any, market activity for the asset or liability. The inputs into the determination of fair value are based upon the best information in the circumstances and may require significant management judgment or estimation.

The availability of observable inputs can vary from security to security and is affected by a wide variety of factors, including, for example, the type of security, whether the security is new and not yet established in the marketplace, the liquidity of markets, and other characteristics particular to the security. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3.

## White, Weld & Co. Securities, LLC

### Notes to Statement of Financial Condition

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#### Note 3. Fair Value of Financial Instruments (Continued)

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The Company's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the investment.

**Corporate Bonds** – The fair value of corporate bonds is estimated using various techniques, which may consider recently executed transactions in securities of the issuer or comparable issuers of securities, market price quotations (observable evaluated prices from pricing sources), bond spreads, fundamental data relating to the issuer, and credit default swap spreads adjusted for any basis difference between cash and derivative instruments. Corporate bonds can be categorized as Level 1, 2 or 3 in the fair value hierarchy depending on the inputs (i.e., observable or unobservable) used and market activity levels for specific bonds.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future values. Furthermore, while the Company believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

**Level 3 Valuation Process** – Investments classified within Level 3 of the fair value hierarchy are valued on a monthly basis, taking into consideration any changes in the Company's exit assumptions, as well as any changes in economic and other relevant conditions, and valuation models are updated accordingly. The valuations of the Company's investments are reviewed monthly by the principals of the firm.

The following table sets forth by level, within the fair value hierarchy, the Company's investment at fair value as of December 31, 2013,

Description	Total	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Corporate Bonds	\$ 44,906	\$ -	\$ -	\$ 44,906
<b>Securities owned, at fair value</b>	<b>\$ 44,906</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 44,906</b>

Financial instruments classified as Level 3 in the fair value hierarchy represent the Company's investments in financial instruments in which management has used at least one significant unobservable input in the valuation model.

## White, Weld & Co. Securities, LLC

### Notes to Statement of Financial Condition

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#### Note 3. Fair Value of Financial Instruments (Continued)

The following table presents a reconciliation of activity for the Level 3 securities owned:

Balance, January 1, 2013	\$	-
Securities purchased in 2013		23,356
Unrealized gains		<u>21,550</u>
Balance, December 31, 2013	\$	<u>44,906</u>

The following table presents qualitative information about Level 3 fair value measurements as of December 31, 2013:

<u>Type of Asset</u>	<u>Fair Value as of December 31, 2013</u>	<u>Valuation Technique</u>	<u>Unobservable Input</u>	<u>Input</u>
Corporate Bonds	\$ <u>44,906</u>	Recent transaction	N/A	N/A

#### Note 4. Due From Clearing Broker

The Company conducts business with J.P. Morgan Clearing Corp. and Pershing LLC ("Clearing Brokers") on behalf of its customers and for its own proprietary accounts. The Company earns commissions as an introducing broker for the transactions of its customers. The clearing and depository operations for the Company's customer accounts and proprietary transactions are performed by the Clearing Brokers pursuant to their respective clearance agreements.

In the normal course of business, customers may sell securities short. Subsequent market fluctuations may require the Clearing Brokers to obtain additional collateral from the Company's customers. It is the policy of the Clearing Brokers to value the short positions daily and to obtain additional deposits where deemed appropriate.

#### Note 5. Off-Balance-Sheet Risk and Credit Risk

In the normal course of business, securities transactions of customers are introduced to and cleared through clearing brokers pursuant to respective agreements between the Company and its clearing brokers. The clearing brokers have the right to charge the Company for unsecured losses that result from a customer's failure to complete such transactions.

The Company has a policy of reviewing, as considered necessary, the credit standing of the customers, the clearing brokers and financial institutions with which it conducts business.

The Company maintains cash in a bank deposit account which exceeds federally insured limits. The Company has not experienced any losses in such account and does not believe it is exposed to any significant credit risk on cash.

#### Note 6. Net Capital Requirement

As a registered broker-dealer and member organization of FINRA, the Company is subject to the Uniform Net Capital Rule 15c3-1 of the SEC (the "Rule"). The Company computes its net capital under the alternative method permitted by the Rule, which requires that the broker-dealer maintain minimum net capital of \$250,000. At December 31, 2013, the Company had net capital, as defined, of \$2,773,980 which exceeded the requirement by \$2,523,980.

## White, Weld & Co. Securities, LLC

### Notes to Statement of Financial Condition

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#### Note 7. Commitments

The Company is committed under noncancelable operating lease agreements for its office space in Massachusetts and Tennessee, expiring between July 2014 and November 2017. The lease agreements contain a provision for escalating annual rents.

The Company also leases office space in two New York locations. The Company subleases one of these locations. The minimum future lease payments under the lease agreements are as follows:

Year ending December 31, 2013,

2014	\$ 552,404
2015	550,235
2016	344,880
2017	<u>316,140</u>
	<u>\$ 1,763,659</u>

#### Note 8. Indemnifications

In the normal course of business, the Company enters into contracts that contain a variety of representations and warranties that provide indemnifications under certain circumstances. The Company's maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Company that have not yet occurred. The Company expects the risk of future obligation under these indemnifications to be remote.

#### Note 9. Pension Plan

The Company established an employee investment savings plan that qualifies under Sections 401(k) and 401(m) of the Internal Revenue Code (the "Code") covering eligible employees. At its discretion, the Company may contribute amounts ranging from 0% to 25% of employee contributions subject to the Code's limitation. No contributions were made by the Company during the fiscal year ended December 31, 2013.

#### Note 10. Subsequent Events

In February 2014, the Company signed a sublease agreement for office space through November 2017. The sublease agreement requires the Company to make fixed monthly rent payments of \$28,740 and certain escalation charges. In addition, the Company is required to make a security deposit of \$287,220 consisting of \$100,000 at signing, \$86,220 within 30 days, \$50,000 within 90 days and \$51,000 within 180 days from the effective date of the sublease.

The future lease payments resulting under the sublease agreement are included in the commitments in Note 7.

The Company evaluates events occurring after the date of the financial statements to consider whether or not the impact of such events needs to be reflected and/or disclosed in the financial statements. Such evaluation is performed through the date the financial statements were issued.