

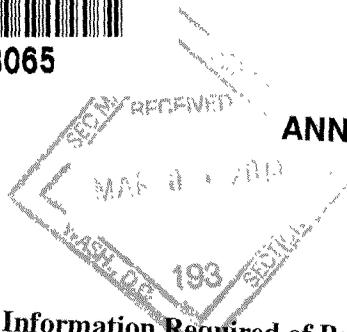


14048065

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, DC 20549

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

*klw  
3/13/14*



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

SEC FILE NUMBER  
8 -68076

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:

SAWAYA SEGALAS SECURITIES, LLC

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

888 SEVENTH AVENUE, 8<sup>TH</sup> FLOOR

(No. And Street)

NEW YORK,  
(City)

NY  
(State)

10019  
(Zip Code)

OFFICIAL USE ONLY  
FIRM ID. NO.

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

BARBARA HALPERN (FINOP)

(203) 210-7364  
(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

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

FULVIO & ASSOCIATES, LLP

ATTN: JOHN FULVIO, CPA

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

5 West 37<sup>th</sup> Street, 4<sup>th</sup> Floor

(Address)

NEW YORK  
(City)

NY  
(State)

10018  
(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 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.

SEC 1410 (06-02)

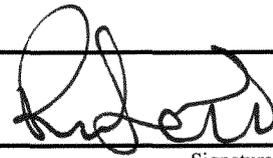
*klw  
3/13/14*

OATH OR AFFIRMATION

I, FUAD SAWAYA, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of SAWAYA SEGALAS 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:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

CHRISTINE D FRIEDMAN  
NOTARY PUBLIC-STATE OF NEW YORK  
No. 01FR6271744  
Qualified In New York County  
My Commission Expires November 05, 2016



Signature

Managing Director

Title

Christine D Friedman  
Notary Public

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

- (a) Facing page.
- (b) Statement of Financial Condition.
- (c) Statement of Income (Loss).
- (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 or 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 previous audit.
- (o) Supplemental Independent Auditors' Report on Internal Accounting Control.

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

SAWAYA SEGALAS SECURITIES, LLC  
(a wholly owned subsidiary of Sawaya Segalas & Co., LLC)

STATEMENT OF FINANCIAL CONDITION

DECEMBER 31, 2013

**PUBLIC**

# FULVIO & ASSOCIATES, L.L.P.

*Certified Public Accountants*

JOHN FULVIO, CPA  
SUSAN E. VAN VELSON, CPA  
KENNETH S. WERNER, CPA  
ANTHONY CHRYSIKOS, CPA

New York Office:  
5 West 37th Street, 4th Floor  
New York, New York 10018  
TEL: 212-490-3113  
FAX: 212-575-5159  
www.fulviollp.com

Connecticut Office:  
95B Rowayton Avenue  
Rowayton, CT 06853  
TEL: 203-857-4400  
FAX: 203-857-0280

## INDEPENDENT AUDITOR'S REPORT

To the Managing Member of  
Sawaya Segalas Securities, LLC:

We have audited the accompanying statement of financial condition of Sawaya Segalas 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 to 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 this 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 this financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in this financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of this 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 this 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 this 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 Sawaya Segalas Securities, LLC as of December 31, 2013 in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in black ink that reads "Julie E. Associates, CPA". The signature is written in a cursive, flowing style.

New York, New York  
February 27, 2014

SAWAYA SEGALAS SECURITIES, LLC  
(a wholly owned subsidiary of Sawaya Segalas & Co., LLC)  
STATEMENT OF FINANCIAL CONDITION  
DECEMBER 31, 2013

ASSETS

Cash and cash equivalents	\$ 475,650
Prepaid expenses and other assets	10,801
Organizational Cost (net of accumulated amortization of \$37,194)	<u>74,386</u>
 TOTAL ASSETS	 <u>\$ 560,837</u>

LIABILITIES AND MEMBER'S EQUITY

Liabilities	
Accounts payable and accrued expenses	\$ <u>24,088</u>
Total liabilities	24,088
Member's Equity	<u>536,749</u>
 TOTAL LIABILITIES AND MEMBER'S EQUITY	 <u>\$ 560,837</u>

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

SAWAYA SEGALAS SECURITIES, LLC  
(a wholly owned subsidiary of Sawaya Segalas & Co., LLC)  
NOTES TO FINANCIAL STATEMENT  
DECEMBER 31, 2013

NOTE 1 ORGANIZATION AND BUSINESS

Sawaya Segalas Securities, LLC (the "Company"), a wholly owned subsidiary of Sawaya Segalas & Co., LLC (the "Parent"), was incorporated on June 6, 2006 and commenced operations on December 1, 2008. The Company became a broker-dealer on July 2, 2009 and as such is a broker-dealer registered with the Securities and Exchange Commission (the "SEC") and is a member of the Financial Industry Regulatory Authority, Inc. (the "FINRA"). The Company provides financial advisory and capital-raising services, principally related to recapitalization, refinancing, sale, merger, consolidation or other business combination and acquisition advice. The Company does not carry securities accounts for customers or perform custodial functions relating to customer securities and claims exemption from SEC Rule 15c3-3, pursuant to paragraph (k)(2)(i).

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

Cash and cash equivalents consist of cash held at a major financial institution.

At times, cash balances may exceed insured limits. The Company has not experienced any losses in such accounts. The Company considers all highly liquid instruments purchased with a maturity date of three months or less when purchased to be cash equivalents.

The Company maintains its cash balances in one financial institution. These balances are insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000.

Revenue recognition

Revenue and expenses related to financial advisory activities are recorded on an accrual basis when earned and incurred, respectively.

Income taxes

No provision for federal and state income taxes has been made since the Company is not a taxable entity. As a single member limited liability company, the member is individually liable for the taxes on the Company's income or loss. However, the Company is subject to New York City Unincorporated Business Tax and a provision is included on the statement of operations.

SAWAYA SEGALAS SECURITIES, LLC  
(a wholly owned subsidiary of Sawaya Segalas & Co., LLC)  
NOTES TO FINANCIAL STATEMENT  
DECEMBER 31, 2013  
(continued)

NOTE 2      SIGNIFICANT ACCOUNTING POLICIES (continued)

Income taxes (continued)

The Company complies with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 740, Income Taxes which require an asset and liability approach to financial accounting and reporting for income taxes. Deferred income tax assets and liabilities are computed for differences between the financial statement and tax basis of assets and liabilities that will result in taxable or deductible amounts in the future based on the enacted tax laws and rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established, when necessary, to reduce the deferred income tax assets to the amount expected to be realized.

ASC 740 provides guidance for how uncertain tax positions should be recognized, measured, presented and disclosed in the financial statements. ASC 740 requires the evaluation of tax positions taken or expected to be taken in the course of preparing the Company's tax returns to determine whether the tax positions are "more-likely-than-not" of being sustained by the applicable tax authority. Tax positions not deemed to meet the more-likely-than-not threshold would be recorded as a tax benefit or expense in the current year. The tax years that remain subject to examination are 2012, 2011, and 2010. The Company determined that there are no uncertain tax positions which would require adjustments or disclosures on the financial statements.

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions in determining 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.

Fair Value Measurement - Definition and Hierarchy

FASB ASC 820, Fair Value Measurement has no material effect on these financial statements.

SAWAYA SEGALAS SECURITIES, LLC  
(a wholly owned subsidiary of Sawaya Segalas & Co., LLC)  
NOTES TO FINANCIAL STATEMENT  
DECEMBER 31, 2013  
(continued)

NOTE 3      LIABILITIES SUBORDINATED TO THE CLAIMS OF GENERAL CREDITORS

As of December 31, 2013, the Company had not entered into any subordinated loan agreements.

NOTE 4      NET CAPITAL REQUIREMENT

As a broker-dealer registered with the SEC and the FINRA the Company is subject to the SEC Uniform Net Capital Rule 15c3-1, 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 and that equity capital may not be withdrawn if the resulting net capital ratio would exceed 10 to 1. At December 31, 2013, the Company had net capital of \$442,049, which was \$437,049 in excess of the required net capital of \$5,000. The Company's ratio of aggregate indebtedness to net capital was 0.05 to 1.

NOTE 5      COMMITMENTS AND CONTINGENT LIABILITIES

The Company had no underwriting commitments, no contingent liabilities and had not been named as defendant in any lawsuit at December 31, 2013 or during the year then ended.

NOTE 6      RELATED PARTY TRANSACTIONS

For the year ended December 31, 2013, the Company shared office space with its sole member, the Parent. In accordance with the expense sharing agreement (the "Agreement"), the Parent allocates a percentage of the rent and certain other overhead and administrative expenses to the Company. The Parent has adequate resources independent of the Company to pay these expenses, and the Company has no additional obligation, either direct or indirect, to compensate a third party for these expenses.

The Agreement includes a provision for a management fee to the parent. For the year ended December 31, 2013, the management fee expense amounted to \$500,000.

SAWAYA SEGALAS SECURITIES, LLC  
(a wholly owned subsidiary of Sawaya Segalas & Co., LLC)  
NOTES TO FINANCIAL STATEMENT  
DECEMBER 31, 2013  
(continued)

NOTE 7      GUARANTEES

FASB ASC 460, *Guarantees*, requires the Company to disclose information about its obligations under certain guarantee arrangements. FASB ASC 460 defines guarantees as contracts and indemnification agreements that contingently require a guarantor to make payments to the guaranteed party based on changes in an underlying factor (such as an interest or foreign exchange rate, security or commodity price, an index or the occurrence or nonoccurrence of a specified event) related to an asset, liability or equity security of a guaranteed party. This guidance also defines guarantees as contracts that contingently require the guarantor to make payments to the guaranteed party based on another entity's failure to perform under an agreement as well as indirect guarantees of the indebtedness of others

The Company has issued no guarantees at December 31, 2013 or during the year then ended.

NOTE 8      SUBSEQUENT EVENTS

The Company has evaluated subsequent events and believes that there are no subsequent events requiring further disclosure.