

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

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

SEC FILE NUMBER
8-67121

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: RAINE SECURITIES LLC

OFFICIAL USE ONLY
FIRM I.D. NO.

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

810 SEVENTH AVENUE, 39th FLOOR

(No. and Street)

NEW YORK

NEW YORK

10019

(City)

(State)

(Zip Code)

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

BRANDON W. GARDNER

(212) 603-5522

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

DELOITTE & TOUCHE LLP

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

30 ROCKEFELLER PLAZA

NEW YORK

NEW YORK

10112

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

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



14048246

*KW
3/20/14*

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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*AB
3/20*

Raine Securities LLC

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

- Independent Auditors' Report
- (a) Facing page.
- (b) Statement of Financial Condition.
- (c) Statement of Operations.
- (d) Statement of Cash Flows.
- (e) Statement of Changes in Members' Capital.
- (f) Statement of Changes in Subordinated Liabilities or Claims of General Creditors (not applicable).
- Notes to Financial Statements
- (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 (not applicable).
- (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 (not required).
- (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation (not applicable).
- (l) An Oath or Affirmation.
- (m) A copy of the SIPC Supplemental Report (filed separately).
- (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 accounting control.
- (p) Schedule of segregation requirements and funds in segregation--customers' regulated commodity futures account pursuant to Rule 171-5 (not applicable).

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

AFFIRMATION

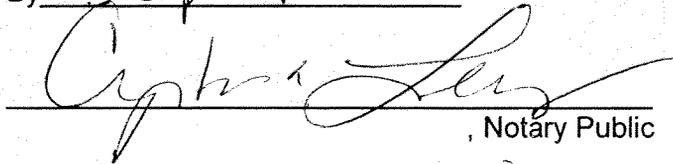
I, Joseph Ravitch, affirm that, to the best of my knowledge and belief, the accompanying financial statements and supplementary schedules pertaining to Raine Securities LLC as of and for the year ended December 31, 2013, are true and correct. I further affirm that neither the Company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer.



Joseph Ravitch
Co-Chief Executive Officer

State of New York – County of New York as
Subscribed and sworn to (or affirmed) before me
This 26th day of February, 2014

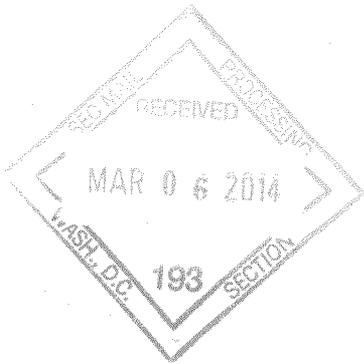
By Joseph Ravitch



, Notary Public

My Commission Expires May 24, 2014

CYNTHIA A. LEHNING
NOTARY PUBLIC, STATE OF NEW YORK
No. 01LE6222349
QUALIFIED IN NEW YORK COUNTY
COMMISSION EXPIRES MAY 24, 2014



RAINE SECURITIES LLC

(SEC I.D. No. 8-67121)

STATEMENT OF FINANCIAL CONDITION
AS OF DECEMBER 31, 2013,
AND INDEPENDENT AUDITORS' REPORT
AND SUPPLEMENTAL REPORT ON INTERNAL CONTROL

Raine Securities LLC
Index
December 31, 2013

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INDEPENDENT AUDITORS' REPORT

To the Member of Raine Securities LLC:

We have audited the accompanying statement of financial condition of Raine Securities LLC (the "Company") as of December 31, 2013, and the related notes (the "financial statement"), that you are filing pursuant to Rule 17a-5 under the Securities Exchange Act of 1934.

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.

Auditors' 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 statements are free from 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 Raine Securities LLC as of December 31, 2013, in accordance with accounting principles generally accepted in the United States of America.

Deloitte & Touche LLP

February 26, 2014

Raine Securities LLC
Statement of Financial Condition
As of December 31, 2013

Assets	
Cash and cash equivalents	\$ 5,572,177
Accounts receivable, net	569,260
Accrued revenue	253,750
Client reimbursable expenses, net	571,664
Receivable from affiliate	153,376
Prepaid expenses	19,871
Deposit with clearing firm	50,053
Total assets	<u>\$ 7,190,151</u>
 Liabilities and Member's Equity	
Accounts payable and other accrued expenses	\$ 590,004
Due to affiliate	464,559
Total liabilities	<u>1,054,563</u>
Member's equity	6,135,588
Total Liabilities and Member's Equity	<u>\$ 7,190,151</u>

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

Raine Securities LLC
Notes to Financial Statement
As of December 31, 2013

1. Organization

Raine Securities LLC ("Raine Securities" or the "Company") is a limited liability company established in the state of Delaware on August 23, 2005. The Company is registered as a securities broker-dealer with the Securities and Exchange Commission ("SEC") and is a member of the Financial Industry Regulatory Authority, Inc. ("FINRA"). Raine Securities is an indirect wholly owned subsidiary of The Raine Group LLC ("Raine Group"). Raine Advisors LLC ("Raine Advisors") is the sole member of Raine Securities. The Company provides financial advisory services, acts as agent in the private placement of securities and acts as underwriter and selling group participant (for corporate securities other than mutual funds).

The Company does not carry securities accounts for customers or perform custodial services and, accordingly, claims exemption from Rule 15c3-3 under Section (k)(2)(ii) of the Securities Exchange Act of 1934.

2. Summary of Significant Accounting Policies

Basis of Presentation

The Company's financial statement has been prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP").

The following is a summary of the significant accounting policies followed by the Company.

Cash and Cash Equivalents

The Company defines cash and cash equivalents as cash and highly liquid investments readily convertible to known amounts of cash. Cash equivalents of \$5,547,564 represent Level 1 investments per the fair value hierarchy established framework.

Accounts Receivable

Accounts receivable is stated at its net realizable value, which represents the account balance less an allowance of \$500,000 for balances not partially or fully collectable. The Company considers a receivable uncollectable when, based on current information or factors such as age and credit worthiness it is probable that the Company will not collect, in full, the receivable balance. An allowance is established when management believes that collection, after considering relevant factors, is in doubt.

Accrued Revenue

Accrued revenue is recorded for revenue earned, but not yet invoiced.

Client Reimbursable Expenses

Client reimbursable expenses are stated at its net realizable value, which represents the account balance less an allowance for balances not partially or fully collectable.

The Company's engagement letter agreements and other documents and arrangements with its clients allow for certain qualified expenses incurred by the Company to be reimbursed by its clients in connection with services provided. Reimbursable expenses consist primarily of out of pocket expenditures for travel, lodging and related costs. The Company recognizes reimbursable expenses at the time of incurrence and typically bills such expenses when the services related to the underlying transactions are completed under the terms of the assignment. At December 31, 2013, reimbursable expenses of \$571,664 were included in Client reimbursable expenses, net on the accompanying statement of financial condition. At December 31, 2013, the Company established an allowance of \$415,858 for reimbursable expenses based on its past collection

Raine Securities LLC
Notes to Financial Statement
As of December 31, 2013

history.

The Company reviews client receivables regularly to specifically identify amounts to directly write-off based on age, activity levels and balances. In cases in which management determines that collection will not occur, either a direct write-off is recorded or the allowance previously established is relieved.

Fair Value of Financial Assets and Liabilities

The Company's financial assets and liabilities are carried at cost which approximates fair value. The Company's financial assets and liabilities include cash and cash equivalents, receivables, and certain other assets and liabilities. The carrying value of these financial assets and liabilities has been determined to approximate fair value since they are short-term in nature.

Income Taxes

The Company is a single-member limited liability company that, to the extent permitted by law, is treated as a "disregarded entity" for federal and state income tax purposes. The Company is included in the US federal income tax return for Raine Group. Raine Securities accounts for income taxes in accordance with ASC 740, "Income Taxes" ("ASC 740"). ASC 740 provides guidance for the financial accounting and reporting for income taxes, and requires that when a member of a consolidated group issues separate financial statements, that the consolidated amount of current and deferred tax expense be allocated to such member using a method that is systematic, rational and consistent with the broader principles of ASC 740. As such, the Company has reflected tax expense in the financial statements attributable to the company's stand-alone operations as though the company filed separate income tax returns.

As of December 31, 2013, the Company has a receivable of \$153,376 related to an overpayment of NYC UBT included in Receivable from affiliate.

ASC 740 also provides guidance regarding how certain tax positions should be recognized, measured, presented and disclosed in the financial statements. ASC 740 requires evaluation of tax positions taken or expected to be taken in the course of preparing the tax returns to determine whether the tax positions are "more likely than not" of being sustained by the applicable tax authority. The Company concluded that it does not have any unrecognized tax benefits or any additional tax liabilities for any uncertain positions as of December 31, 2013. The earliest tax year of Raine Group open for examination by tax authorities is New York City – 2010.

Use of Estimates

The preparation of financial statements in conformity with US GAAP 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 reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

ASC Topic 460, "Guarantees" requires the disclosure of the Company's representations and warranties which may provide general indemnifications to others. The Company in its normal course of business may enter into other legal contracts that contain a variety of these representations and warranties that provide general indemnifications. The Company's maximum exposure under these arrangements is unknown, as claims may be unasserted. However, based on its experience, the Company expects the risk of loss to be remote.

Raine Securities LLC
Notes to Financial Statement
As of December 31, 2013

3. Concentration of Credit Risk

The Company maintains cash and cash equivalents with financial institutions with investment grade credit ratings. At times, the Company may maintain deposits in federally insured financial institutions in excess of federally insured ("FDIC") limit of \$250,000. At December 31, 2013, the Company had \$5,572,177 in cash and cash equivalents held at First Republic Bank. However, the Company believes that the firm is not exposed to significant credit risk related to the financial position of the depository institution in which those deposits are held.

The Company may be exposed to credit risk regarding its client reimbursable expenses. The Company routinely assesses the financial strength of its clients and, based upon factors surrounding the credit risk of its clients, believes that its concentration and credit risk exposure with regard to its accounts receivable is limited. There is no collateral held for the receivables as of December 31, 2013. Five clients accounted individually for 5.0% or more of net client reimbursable expenses as of December 31, 2013. These clients represent in the aggregate 54.3% of net client reimbursable expenses as of December 31, 2013.

4. Related-Party Transactions

On April 6, 2010, Raine Securities and Raine Group entered into an Administrative Services Agreement, as amended and restated (the "Expense Sharing Agreement"). As of December 31, 2013, the Company had a Due to affiliate of \$464,559 in accordance with such Expense Sharing Agreement. The parties to the Expense Sharing Agreement agree that Raine Securities has no obligation to any third party for the services that the Raine Group provides. Raine Group is solely responsible for any amounts owed relating to costs incurred by it in providing services on behalf of Raine Securities.

5. Commitments and Contingencies

The Company's customers' securities transactions are introduced on a fully-disclosed basis to its clearing broker. The clearing broker carries all of the customer accounts and is responsible for collection and payment of funds and receipt and delivery of securities relative to customer transactions. These transactions may expose the Company to off-balance-sheet risk, wherein the clearing broker may charge the Company for any losses it incurs in the event that customers may be unable to fulfill their contractual commitments and margin requirements are not sufficient to fully cover losses. As the right to charge the Company has no maximum amount and applies to all trades executed through the clearing broker, the Company believes there is no maximum amount assignable to this right. The Company has the right to pursue collection or performance from the counterparties who do not perform under their contractual obligations. The Company seeks to minimize this risk through procedures designed to monitor the creditworthiness of its customers and to ensure that customer transactions are executed properly by the clearing broker, subject to the credit risk of the clearing broker. The Company maintains a deposit of \$50,053 with its clearing broker. For the year ended December 31, 2013, the Company did not conduct any customer securities transactions.

6. Member's Equity

For the year ended December 31, 2013, Raine Advisors made capital withdrawals of \$36,587,045.

7. Net Capital Requirements

Raine Securities LLC
Notes to Financial Statement
As of December 31, 2013

As a registered broker-dealer, Raine Securities is subject to the SEC Uniform Net Capital Rule ("Rule 15c3-1") of the Securities Exchange Act of 1934, which requires the maintenance of minimum net capital. Under Rule 15c3-1, Raine Securities is required to maintain minimum net capital equal to the greater of \$100,000 and 6.667% of aggregate indebtedness. At December 31, 2013, Raine Securities had net capital of \$4,567,668 which was \$4,467,668 above its required net capital of the greater of \$100,000 and 6.667% of aggregated indebtedness. The ratio of aggregate indebtedness to net capital was 0.231 to 1.000 at December 31, 2013.

8. Subsequent Events

The Company evaluated subsequent events or transactions that occurred from January 1, 2014 through February 26, 2014, the date the financial statements were available to be issued. There were no subsequent events during this period that require recognition or disclosure in the financial statements.