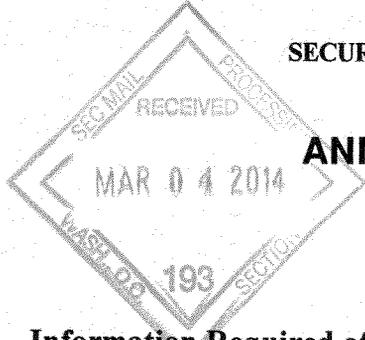


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SECURITIES 14049261

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

SEC FILE NUMBER
8- 20494

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:
Portigon Securities Inc.
ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)
7 World Trade Center, 250 Greenwich Street

OFFICIAL USE ONLY
FIRM I.D. NO.

New York (City) **NY** (State) **10007** (Zip Code)
(No. and Street)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT
Miguel Viani and Vincent B. Billi, Jr. **212-852-6031**
(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 (Address) **New York** (City) **NY** (State) **10036** (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)

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OATH OR AFFIRMATION

I, Miguel Viani and Vincent B. Billi, Jr., swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Portigon Securities Inc. 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:

Miguel Viani Vincent B. Billi Jr.
Signature

CEO _____ FINOP _____
Title

Jeff V. Nelson
Notary Public

JEFF V. NELSON
Notary Public, State of New York
No. 02NE6104085
Qualified in Kings County
Commission Expires January 12, 2016

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).

Portigon Securities Inc.

Statement of Financial Condition

December 31, 2013

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Independent Auditor's Report

To the Board of Directors
Portigon Securities Inc.
New York, New York

Report on the Financial Statement

We have audited the accompanying statement of financial condition of Portigon Securities Inc. (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 Portigon Securities Inc. as of December 31, 2013, in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 8, in October 2013, the Managing Board of the parent company decided to liquidate the Company, and surrender its broker dealer license. Subsequent to year-end, the Company filed a Broker Dealer Withdrawal Form with FINRA to cease operations and withdraw its registration.

McGladrey LLP

New York, New York
February 28, 2014

Portigon Securities Inc.

**Statement of Financial Condition
December 31, 2013**

ASSETS

Cash and Cash Equivalents	\$ 22,736,676
Cash Segregated in Compliance With Rule 15c3-3	200,000
Deposits With Clearing Organizations	7,163,627
Securities Owned	24,575
Other Assets	<u>594,922</u>
Total assets	<u><u>\$ 30,719,800</u></u>

LIABILITIES AND STOCKHOLDER'S EQUITY

Liabilities:

Due to Parent	\$ 52,095
Other liabilities and accrued expenses	<u>220,193</u>
Total liabilities	<u>272,288</u>

Stockholder's Equity:

Common stock, no par value; 1,000 shares authorized, 100 shares issued and outstanding	-
Additional paid-in capital	29,851,294
Retained earnings	<u>596,218</u>
Total stockholder's equity	<u>30,447,512</u>

Total liabilities and stockholder's equity	<u><u>\$ 30,719,800</u></u>
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See Notes to Statement of Financial Condition.

Portigon Securities Inc.

Notes to Statement of Financial Condition

Note 1. Organization and Nature of Business

Portigon Securities Inc. (the "Company"), formerly WestLB Securities Inc., is a wholly owned subsidiary of Portigon AG (the "Parent"), an international service and portfolio management bank located in the Federal Republic of Germany.

The Company is a registered broker and dealer under the Securities Exchange Act of 1934 and is a member of the Financial Industry Regulatory Authority ("FINRA"), Euroclear, Clearstream, the Depository Trust Company, National Securities Clearing Corporation and the Fixed Income Clearing Corporation.

The Company provides clearing and custodial services for its Parent's branch in New York relating to domestic securities.

In the normal course of business, the Company is involved in the settlement of various securities transactions whose counterparties are primarily institutions and affiliates. The Company monitors the credit standing of the clearing brokers and all counterparties with which it conducts business.

As more fully described in Note 5, the Company generates management and clearing fees through transactions with related parties and has service agreements with related parties under which it receives administrative support to conduct its operations. Therefore, the accompanying financial statements may not be indicative of the financial condition or the results of operations of the Company if it had operated as an unaffiliated entity.

Note 2. Summary of Significant Accounting Policies

The Company follows accounting standards established by the Financial Accounting Standards Board (the "FASB") to ensure consistent reporting of financial condition, results of operations and cash flows. References to accounting principles generally accepted in the United States of America ("GAAP") in these notes are to the *FASB Accounting Standards Codification*TM, sometimes referred to as the "Codification" or "ASC."

These financial statements have been prepared in conformity with GAAP and reflect the following significant accounting policies:

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 disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from these estimates

Cash and Cash Equivalents: The Company considers all highly liquid investments with original maturities of less than three months at the time of purchase and not held for resale to be cash equivalents. Cash and cash equivalents include cash held in bank accounts, highly liquid deposits in overnight investment accounts and money market funds. Cash and the overnight account are held at one U.S. commercial bank. As of December 31, 2013, \$22,200,000 of the cash and cash equivalents balance was held in one money market fund deposit.

The Company maintains its deposits with a high-quality financial institution in an amount that is in excess of federally insured limits; however, the Company does not believe it is exposed to any significant credit risk.

Cash Segregated in Compliance With SEC Rule 15c3-3: Cash of \$200,000 is segregated in a special reserve bank account at a major U.S. financial institution for the exclusive benefit of customers under Rule 15c3-3 of the Securities Exchange Act of 1934.

Portigon Securities Inc.

Notes to Statement of Financial Condition

Note 2. Summary of Significant Accounting Policies (Continued)

Receivable From and Payable to Customers: Receivable from and payable to customers represent unsettled securities transactions due to and due from customers. No unsettled securities transactions were due to or due from customers at the close of business on December 31, 2013.

Fails to Deliver and Fails to Receive: Fails to deliver arises when the Company does not deliver securities on the settlement date. The Company records the selling price as a receivable due from the purchasing customer. The receivable is collected upon delivery of the securities. Fails to receive arise when the Company does not receive securities on the settlement date. The Company records the amount of the purchase price as a payable due to the selling customer. The liability is paid upon receipt of the securities. There were no fails to deliver and no fails to receive at the close of business on December 31, 2013.

Income Taxes: FASB 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 the Company's 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 not deemed to meet the more-likely-than-not threshold would be recorded as a tax expense and liability in the current year. The Company includes accrued interest and penalties, if any, in income tax expense. For the year ended December 31, 2013, management has determined that there are no material uncertain income tax positions. The open years subject to potential examination for each jurisdiction in which the Company is required to file income tax returns are 2010, 2011 and 2012.

Fair Value Measurements: 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 the 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:

- Level 1: Unadjusted quoted market prices in active markets for identical assets and liabilities that the reporting entity has the ability to access at the measurement date.
- Level 2: Observable market-based inputs or unobservable inputs that are corroborated by market data.
- Level 3: Unobservable inputs that are not corroborated by market data.

In addition, ASC 820 requires enhanced disclosure about fair value measurements. See Note 3 for further discussion of ASC 820.

Portigon Securities Inc.

Notes to Statement of Financial Condition

Note 3. Fair Value of Financial Instruments

The following table presents the Company's fair value hierarchy for those assets and liabilities measured at fair value on a recurring basis. In addition, there were no transfers among Levels 1, 2 and 3 during the year ended December 31, 2013:

	<u>Total</u>	<u>Fair Value Measurements Using</u>		
		<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Money market fund	\$ 22,200,000	\$ 22,200,000	\$ -	\$ -
Common stock	<u>24,575</u>	<u>-</u>	<u>-</u>	<u>24,575</u>
Total	<u><u>\$ 22,224,575</u></u>	<u><u>\$ 22,200,000</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 24,575</u></u>

Financial instruments classified as Level 3 in the fair value hierarchy represent the Company's investments in financial instruments in which the management has used at least one significant unobservable input in the valuation model. The following table presents a reconciliation of activity for the Level 3 financial instrument:

Balance at January 1, 2013	\$ 24,061
Purchase of security	<u>514</u>
Balance at December 31, 2013	<u><u>\$ 24,575</u></u>

Note 4. Deposits With Clearing Organizations

The Company is a participant in the Depository Trust Company ("DTC"). DTC has a minimum participant deposit requirement of \$7,000,000 for the Company. The Company holds a balance of \$20,513 with the National Securities Clearing Corporation. The remaining balance of \$143,114 is held on behalf of the Parent with the Fixed Income Clearing Corporation. These deposits represent cash held at each clearing organization.

Note 5. Related Party Transactions

The Company provides services to its Parent's head office in Düsseldorf and the New York branch under management agreements. These services include securities clearing, custody, and other management services. Also included within revenues are clearing fees of approximately \$180,000. These charges are invoiced on a monthly basis, and the amounts receivable are noninterest-bearing and payable on demand.

Due to Parent consists of management charges related to a service agreement with the Parent. The Company utilizes certain resources of the Parent, including facilities, systems, human resources and various other administrative services for which the Parent allocates a management charge to the Company. For the year ended December 31, 2013, the Parent made a decision not to charge for intra-group charges due to the reduction of business activities of the Company, other than for additional charges related to 2012 activities.

Portigon Securities Inc.

Notes to Statement of Financial Condition

Note 6. Net Capital Requirements

The Company is subject to the net capital requirements of the Securities and Exchange Commission (the "SEC") under Rule 15c3-1 (the "Rule"). The Company follows the basic method of computing net capital under the Rule, which requires that the Company must maintain minimum net capital, as defined, equal to the greater of \$250,000 or 6 2/3% of aggregate indebtedness, as defined. The SEC requirements also provide that equity capital may not be withdrawn or cash dividends paid if certain minimum net capital requirements are not met. At December 31, 2013, the Company had net capital of \$29,384,015, which was \$29,134,015 in excess of its required net capital of \$250,000. The Company's ratio of aggregate indebtedness to net capital was .09 to 1.

Note 7. Employee Benefit Plans

Pursuant to a service agreement with the Parent, the Parent provides the Company with personnel who, if eligible, participate in the Parent's noncontributory defined contribution pension plan. The Company has incurred expense of \$54,618 in relation to this plan during the year. The Parent's employees also participate in a defined contribution 401(k) plan. The Company has incurred an expense of \$4,155 in relation to this plan during the year.

Note 8. Subsequent Events

The Parent's Managing Board made a decision to liquidate the Company and return its broker-dealer license on October 8, 2013. Subsequent to year-end, the Company filed a Broker Dealer Withdrawal Form with FINRA to cease operations and withdraw registration as of January 8, 2014.

The Company evaluated subsequent events after the date of the financial statements to consider whether or not the impact of such events needed to be reflected and/or disclosed in the financial statements. Such evaluation was performed through the report date of the financial statements, the date that these financial statements were issued.