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

SEC FILE NUMBER
8- 68962

**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 3/21/2013 AND ENDING 12/31/2013
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: PPS Securities, LLC

OFFICIAL USE ONLY
FIRM I.D. NO.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)
1350 Avenue of the Americas, 32nd 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
Michael C. Brown 212-373-1000

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

SOBEL & CO., LLC

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

293 EISENHOWER PARKWAY, SUITE 290 LIVINGSTON

NEW JERSEY

07039-1711

(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)

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OATH OR AFFIRMATION

I, Michael C. Brown, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of PPS Securities, LLC of DECEMBER 31, 20 13, 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:

Three horizontal lines for additional information.

Signature
Managing Member
Title

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 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.
(n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

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

PPS Securities, LLC

FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
INCLUDING FACING PAGE

DECEMBER 31, 2013

PPS Securities, LLC

DECEMBER 31, 2013

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INDEPENDENT AUDITORS' REPORT

To the Member
PPS Securities, LLC
New York, New York

We have audited the accompanying financial statements of PPS Securities, LLC ("Company"), which comprise the statement of financial condition as of December 31, 2013, and the related statement of operations, changes in member's equity, and cash flows for the period March 21, 2013 to December 31, 2013, that are filed pursuant to Rule 17a-5 under the Securities Exchange Act of 1934, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements 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 financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. These 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 auditors' 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 auditors consider internal control relevant to the Company's preparation and fair presentation of the financial statements 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 statements.

Member of



North
America

An association of legally independent firms

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 statements referred to above present fairly, in all material respects, the financial position of PPS Securities, LLC as of December 31, 2013, and the results of its operations and its cash flows for the period March 21, 2013 to December 31, 2013, in accordance with accounting principles generally accepted in the United States of America.


Certified Public Accountants

Livingston, New Jersey
February 24, 2014

PPS SECURITIES, LLC
STATEMENT OF FINANCIAL CONDITION
DECEMBER 31, 2013

ASSETS

Cash	\$	33,833
Due from Dynasty Financial Partners, LLC		86,470
Prepaid expenses		3,116
	\$	<u>123,419</u>

LIABILITIES AND MEMBER'S EQUITY

LIABILITIES:

Accounts payable and accrued expenses	\$	8,734
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COMMITMENTS AND CONTINGENCIES

MEMBER'S EQUITY		<u>114,685</u>
	\$	<u>123,419</u>

PPS SECURITIES, LLC
STATEMENT OF OPERATIONS
FOR THE PERIOD MARCH 21, 2013 TO DECEMBER 31, 2013

REVENUES	<u>\$ 139,663</u>
OPERATING EXPENSES	
Consulting fees	5,414
Professional fees	87,299
Insurance	1,302
Regulatory fees	1,318
Advertising	5,376
Rent	7,381
Computers and internet service	1,003
Telephone	881
Taxes	152
Dues and subscriptions	361
Bank charges	25
Office expenses	1,413
Travel	10,825
Education and training	655
Depreciation expense	2,172
Compensation and benefits	49,401
Total Operating Expenses	<u>174,978</u>
NET LOSS	<u>\$ (35,315)</u>

PPS SECURITIES, LLC
STATEMENT OF CHANGES IN MEMBER'S EQUITY
FOR THE PERIOD MARCH 21, 2013 TO DECEMBER 31, 2013

Balance, March 21, 2013	\$	-
Capital contributions		150,000
Net loss		<u>(35,315)</u>
Balance, December 31, 2013	\$	<u>114,685</u>

PPS SECURITIES, LLC

STATEMENT OF CASH FLOWS

FOR THE PERIOD MARCH 21, 2013 TO DECEMBER 31, 2013

CASH FLOWS USED FOR:

OPERATING ACTIVITIES:

Net loss	\$ (35,315)
Adjustments to reconcile net loss to net cash used for operating activities:	
Accounts receivable	(86,470)
Prepaid expenses	(3,116)
Accounts payable and accrued expenses	8,734
Net Cash Used for Operating Activities	<u>(116,167)</u>

INVESTING ACTIVITIES:

Capital contributions	<u>150,000</u>
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NET INCREASE IN CASH 33,833

CASH:

Beginning of period	<u>-</u>
End of period	<u>\$ 33,833</u>

PPS SECURITIES, LLC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

**NOTE 1 - ORGANIZATION AND SUMMARY OF
SIGNIFICANT ACCOUNTING POLICIES:**

Organization:

PPS Securities, LLC (the "Company" or "PPS") was formed on August 16, 2011, in the state of New York. On March 21, 2013, the Securities and Exchange Commission accepted the Company's application for registration as a broker or dealer pursuant to Section 15(b) of the Securities Exchange Act of 1934. In addition, on March 21, 2013, the Financial Industry Regulatory Authority, Inc. ("FINRA") accepted the Company's membership application. The Company is headquartered in New York, New York. The Company is registered with the Securities and Exchange Commission ("SEC"). The Company is also a member of the Securities Investor Protection Corporation ("SIPC").

Basis of Accounting:

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Reporting Period:

The Company reports its financial information on a calendar year (December 31). These financial statements reflect the information as of December 31, 2013, and for the period March 21, 2013 to December 31, 2013, the date of FINRA acceptance, through December 31, 2013.

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 that affect the reported amount of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Revenue Recognition:

Commissions received from an unrelated third party are the primary source of revenue for PPS. PPS obtains certain administrative and other services from the unrelated third party who is also a broker-dealer and FINRA member. The unrelated third party has and is willing to continue to furnish or make such services available to PPS. The unrelated third party will provide or otherwise make available to PPS those services and other third-party services. In accordance with its usual and customary practices the unrelated third party shall make deductions for the services from commissions payable to PPS and shall itemize each deduction by the service provided.

PPS SECURITIES, LLC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

**NOTE 1 - ORGANIZATION AND SUMMARY OF
SIGNIFICANT ACCOUNTING POLICIES: (Continued)**

Cash Equivalents:

The Company considers all short-term investments, if any, with an original maturity of three months or less to be cash equivalents.

Income Taxes:

The Company is treated as a partnership for federal and state income tax purposes; therefore, the taxable income or loss from the Company's operation is allocated to the Company's members.

The Company follows accounting standards that provide clarification on accounting for uncertainty in income taxes recognized in the Company's financial statements. The guidance prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return, and also provides guidance on de-recognition, classification, interest and penalties, disclosure and transition. Tax returns for 2011 and forward are subject to audit by federal and state jurisdictions. At December 31, 2013, there are no significant income tax uncertainties that are expected to have a material impact on the Company's 2013 financial statements. No interest or penalties were incurred for the period March 21, 2013 to December 31, 2013

Subsequent Events:

The Company has evaluated its subsequent events and transactions occurring after December 31, 2013 through February 24, 2014, the date that the financial statements were available to be issued.

NOTE 2 - NET CAPITAL REQUIREMENTS:

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (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 the rule of the "applicable" exchange also provides that equity capital may not be withdrawn or cash dividends paid if the resulting net capital ratio would exceed 10 to 1).

At December 31, 2013, the Company's net capital is as follows:

Net capital	\$ 25,099
Net capital requirement	<u>5,000</u>
Excess Net Capital	<u>\$ 20,099</u>
Aggregate indebtedness to net capital	<u>34.80%</u>

PPS SECURITIES, LLC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE 2 - NET CAPITAL REQUIREMENTS: (Continued)

The Company is not required to furnish the “computation of reserve requirements” under rule 15c3-3 of the Securities and Exchange Commission due to the fact that it qualifies for, and complies with the exemptive provision k(2)(ii) of rule 15c3-3. This provision exempts brokers or dealers who do not hold funds or securities, or owe money or securities to customers, from having to furnish the “computation of reserve requirements.”

NOTE 3 - RELATED PARTY TRANSACTIONS:

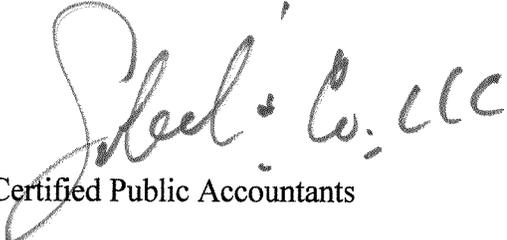
From time to time, PPS provides certain services for Dynasty Financial Partners, LLC, a related party through common ownership under an expense sharing agreement. For the year ended December 31, 2013, Dynasty Financial Partners, LLC owes PPS \$86,470 for these services.



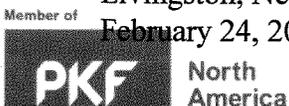
**INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY
INFORMATION REQUIRED BY RULE 17a-5 UNDER THE
SECURITIES EXCHANGE ACT OF 1934**

To the Member
PPS Securities, LLC
New York, New York

We have audited the financial statements of PPS Securities, LLC as of December 31, 2013 and for the period March 21, 2013 to December 31, 2013, and have issued our report thereon dated February 24, 2014, which expressed an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information contained on pages 11, 12 and 13, required by Rule 17a-5 under the Securities Exchange Act of 1934, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information on pages 11, 12 and 13 has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information on pages 11, 12 and 13 is fairly stated in all material respects in relation to the financial statements as a whole.


Certified Public Accountants

Livingston, New Jersey
February 24, 2014



PPS SECURITIES, LLC
SUPPLEMENTARY INFORMATION
COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1
OF THE SECURITIES AND EXCHANGE COMMISSION

	As of December 31, 2013
NET CAPITAL:	
Total member's equity qualified for net capital	<u>\$ 114,685</u>
Deductions and charges:	
Nonallowable assets:	
Accounts receivable	(86,470)
Prepaid expenses	(3,116)
Total Nonallowable Assets	<u>(89,586)</u>
NET CAPITAL	<u><u>\$ 25,099</u></u>
AGGREGATE INDEBTEDNESS:	
Items included in statements of financial condition:	
Accounts payable and accrued expenses	<u>\$ 8,734</u>
TOTAL AGGREGATE INDEBTEDNESS	<u><u>\$ 8,734</u></u>
Minimum net capital required Per Rule15c3-1	<u>\$ 5,000</u>
Excess net capital	<u>\$ 20,099</u>
Net capital in excess of 120% of minimum requirement	<u><u>\$ 19,099</u></u>
Ratio: aggregate indebtedness to net capital	<u><u>34.80%</u></u>

Statement Pursuant to Paragraph (d)(4) of Rule 17a-5

There were no differences between the preceding computation and the corresponding computation prepared by PPS Securities, LLC and included in the Company's unaudited Part II of Form X-17A-5 as of December 31, 2013.

PPS SECURITIES, LLC
SUPPLEMENTARY INFORMATION
COMPUTATION OF DETERMINATION OF RESERVE
REQUIREMENTS UNDER RULE 15c3-3 OF THE
SECURITIES AND EXCHANGE COMMISSION
DECEMBER 31, 2013

PPS Securities, LLC is not required to furnish this schedule due to its compliance with the exemptive provision k(2)(i) of Rule 15c3-3.

PPS SECURITIES, LLC
SUPPLEMENTARY INFORMATION
INFORMATION FOR POSSESSION OR CONTROL
REQUIREMENTS UNDER RULE 15c3-3 OF THE SECURITIES
AND EXCHANGE COMMISSION
DECEMBER 31, 2013

PPS Securities, LLC is not required to furnish this schedule due to its compliance with the exemptive provision k(2)(i) of Rule 15c3-3.

PPS SECURITIES, LLC

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
REQUIRED BY SEC RULE 17a-5(g)(1) FOR A BROKER-DEALER
CLAIMING AN EXEMPTION FROM SEC RULE 15c3-3

DECEMBER 31, 2013

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
REQUIRED BY SEC RULE 17a-5(g)(1) FOR A BROKER-DEALER
CLAIMING AN EXEMPTION FROM SEC RULE 15c3-3**

To the Member
PPS Securities, LLC
New York, New York

In planning and performing our audit of the financial statements of PPS Securities, LLC (the "Company"), as of December 31, 2013 and for the period March 21, 2013 to December 31, 2013, in accordance with auditing standards generally accepted in the United States of America, we considered the Company's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company's internal control.

Also, as required by Rule 17a-5(g)(1) of the Securities and Exchange Commission (SEC), we have made a study of the practices and procedures followed by the Company including consideration of control activities for safeguarding securities. This study included tests of such practices and procedures that we considered relevant to the objectives stated in Rule 17a-5(g) in making the periodic computations of aggregate indebtedness (or aggregate debits) and net capital under Rule 17a-3(a)(11) and for determining compliance with the exemptive provisions of Rule 15c3-3. Because the Company does not carry securities accounts for customers or perform custodial functions relating to customer securities, we did not review the practices and procedures followed by the Company in any of the following:

1. Making the quarterly securities examinations, counts, verifications, and comparisons and recordation of differences required by Rule 17a-13.
2. Complying with the requirements for prompt payment for securities under Section 8 of Federal Reserve Regulation T of the Board of Governors of the Federal Reserve System.

The management of the Company is responsible for establishing and maintaining internal control and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of controls and of the practices and procedures referred to in the preceding paragraph and to assess whether those practices and procedures can be expected to achieve the SEC's previously mentioned objectives. Two of the objectives of internal control and the practices and procedures are to provide management with reasonable but not absolute assurance that assets for which the Company has responsibility are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in conformity with generally accepted accounting principles. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

Because of inherent limitations in internal control and the practices and procedures referred to above, error or fraud may occur and not be detected. Also, projection of any evaluation of them to future periods is subject to the risk that they may become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate.

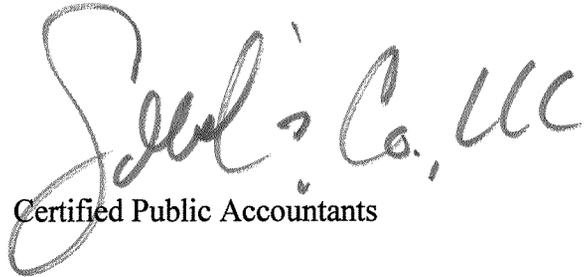
A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Company's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the first and second paragraphs and would not necessarily identify all deficiencies in internal control that might be material weaknesses. We did not identify any deficiencies in internal control and control activities for safeguarding securities that we consider to be material weaknesses, as defined previously.

We understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the SEC to be adequate for its purposes in accordance with the Securities Exchange Act of 1934 and related regulations, and that practices and procedures that do not accomplish such objectives in all material respects indicate a material inadequacy for such purposes. Based on this understanding and on our study, we believe that the Company's practices and procedures, as described in the second paragraph of this report, were adequate at December 31, 2013, to meet the SEC's objectives.

This report is intended solely for the information and use of the member, management, the SEC, and other regulatory agencies that rely on Rule 17a-5(g) under the Securities Exchange Act of 1934 in their regulation of registered brokers and dealers, and is not intended to be, and should not be, used by anyone other than these specified parties.


Certified Public Accountants

Livingston, New Jersey
February 24, 2014