

SECURITY



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

SEC FILE NUMBER
8- 50886

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 01/01/2014 AND ENDING 12/31/2014
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Legend Securities, Inc.
ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)
45 Broadway, 32nd Floor

OFFICIAL USE ONLY
FIRM I.D. NO.

New York NY 10006
(City) (State) (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT
Salvatore C. Caruso 646-716-3031
(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Seligson & Giannattasio, LLP
(Name - if individual, state last, first, middle name)

722 N. Broadway White Plains NY 10603
(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

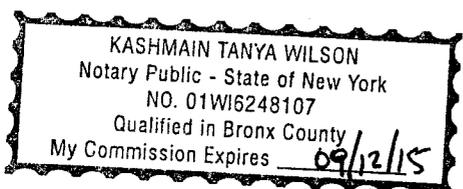
*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

OATH OR AFFIRMATION

I, Salvatore C. Caruso, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Legend Securities, Inc. of December 31, 2014, 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:

Signature
President & CFO
Title

K. Wilson
Notary Public



March 16, 2015

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).

February 27, 2015

Mr. Salvatore Caruso
President
Legend Securities, Inc.
45 Broadway, 32nd Floor
New York, NY 10006

RE: Legend Securities, Inc. – December 31, 2014 Annual Audit

Dear Mr. Evtimov:

In reply to your letter dated February 25, 2015, please be advised that your request for an extension of time in which to file the required annual audited financial report as of December 31, 2014 pursuant to Securities Exchange Act Rule 17a-5, has been given due consideration and is hereby granted.

This extension of ten (10) business-days is granted based upon the representations made by your organization and by your outside independent auditors. If the information provided to us is no longer accurate, we expected to be notified immediately.

Please be aware that failure to file the annual audited financial report on or before March 16, 2015 could result in the assessment of a late filing fee of \$100 per day for up to ten days and may result in other regulatory or disciplinary action.

Regards,



Joseph Bonnema
Principal Regulatory Coordinator

cc: Herani Dansamo
FINRA

SEC Regional office

Report of the Independent Registered Public Accounting Firm

To the Members
Legend Securities Inc.
New York, NY

We have audited the accompanying statement of financial condition of Legend Securities Inc. (the "Company"), as of December 31, 2014, and the related statements of operations, changes in stockholders' equity, and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that the audit provides a basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Legend Securities Inc. as of December 31, 2014, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States.

The supplemental information contained in Schedule I for the computation of Net Capital under Rule 15c3-1 of the Securities and Exchanges Commission has been subjected to audit procedures performed in conjunction with the audit of the Company's financial statements. The supplementary information in Schedule I is the responsibility of the Company's management. Our audit procedures included determining whether the supplemental information reconciles to the financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the Schedule I. In forming our opinion on the supplemental information, we evaluated whether the supplemental information, including its form and content is presented in conformity with 17 C.F.R. Section 240.17a-5. In our opinion, the supplemental information in Schedule I is fairly stated, in all material respects, in relation to the financial statements as a whole.

Seligson & Giannattasio LLP

Seligson & Giannattasio, LLP
White Plains, New York
March 16, 2015

LEGEND SECURITIES, INC.

STATEMENT OF FINANCIAL CONDITION

DECEMBER 31, 2014

ASSETS

Cash and cash equivalents	\$ 147,940
Account receivable	558,810
Marketable securities at market value	129,882
Nonmarketable securities	2,400
Receivable from clearing agent	646,737
Due from related parties	895,675
Other current assets	128,618
Furniture and equipment – net	30,094
Security deposits	<u>60,500</u>
Total assets	<u>\$2,600,656</u>

LIABILITIES & STOCKHOLDERS' EQUITY

Liabilities:	
Note payable to bank	\$ 245,699
Accounts payable and accrued expenses	1,053,452
Securities sold not yet purchased	<u>10,768</u>
Total liabilities	1,309,919

Commitments and contingencies

Stockholders' Equity:

Preferred stock, \$.01 par value, 5,000,000 shares authorized, none issued and outstanding	\$ --
Series A – 1,000,000 shares authorized, none outstanding	
Common stock, \$.0001 par value, 200,000,000 shares authorized, 175,250,000 issued, 175,000,000 outstanding	17,525
Additional paid-in-capital	451,475
Treasury stock	--
Retained earnings	<u>821,737</u>
Total stockholders' equity	<u>1,290,737</u>
Total liabilities and stockholders' equity	<u>\$2,600,656</u>

See notes to financial statements.

LEGEND SECURITIES, INC.

STATEMENT OF OPERATIONS

YEAR ENDED DECEMBER 31, 2014

Revenues:	
Commissions and fees	\$21,441,643
Interest and dividend income	<u>330,630</u>
Total revenue	21,772,273
Expenses:	
Payroll, commissions and benefits	\$17,597,700
Floor brokerage and clearance charges	1,030,805
Communications	173,586
Professional fees	289,501
Depreciation expense	8,037
Regulatory costs	494,053
Interest expense	40,386
Other general and administrative expenses	<u>1,964,808</u>
Total expenses	<u>21,598,876</u>
Income before income taxes	173,397
Income taxes	<u>20,720</u>
Net income	<u>\$ 152,677</u>

See notes to financial statements.

LEGEND SECURITIES, INC.

STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY

YEAR ENDED DECEMBER 31, 2014

	<u>Common Stock</u>		<u>Additional Paid-In Capital</u>	<u>Retained Earnings</u>	<u>Treasury Stock</u>		<u>Total</u>
	<u>Shares Authorized and Issued</u>	<u>Amount</u>			<u>Shares</u>	<u>Amount</u>	
Balance – January 1, 2013	175,250,000	\$17,525	\$ 451,475	\$ 669,060	(20,000)	\$ --	\$ 1,138,060
Net income	—	—	—	<u>152,677</u>	—	—	<u>152,677</u>
Balance – December 31, 2014	<u>175,250,000</u>	<u>\$17,525</u>	<u>\$ 451,475</u>	<u>\$ 821,737</u>	<u>(20,000)</u>	<u>\$ --</u>	<u>\$1,290,737</u>

See notes to financial statements

LEGEND SECURITIES, INC.

STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2014

CASH FLOWS FROM OPERATING ACTIVITIES:	
Net income	\$ 152,677
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation expense	8,037
Changes in operating assets and liabilities:	
Receivable from clearing agent	1,130,267
Trading securities	88,158
Prepaid expenses	(22,553)
Accounts payable and accrued expenses	<u>(948,476)</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>408,110</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Net borrowings on loans payable to bank	142,699
Net advances to related parties	<u>(533,771)</u>
NET CASH FLOWS FROM FINANCING ACTIVITIES	<u>(391,072)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	17,038
Cash and cash equivalents – beginning of period	<u>130,902</u>
Cash and cash equivalents – end of period	<u>\$ 147,940</u>
SUPPLEMENTAL DISCLOSURES OF CASH FLOWS:	
Cash paid for:	
Income taxes	<u>\$ 20,720</u>
Interest	<u>\$ 40,386</u>

See notes to financial statements.

LEGEND SECURITIES, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2014

NOTE 1 - ORGANIZATION

Legend Securities, Inc. (the "Company") is a nonclearing broker-dealer in securities registered with the Securities and Exchange Commission and the Financial Industry Regulatory Authority. The Company was organized on January 28, 1998 under the laws of the State of New York and commenced operations on November 10, 1998 under the name SPS Securities, Inc. In 1999, the Company changed its name to Marlin Trading, Inc. On June 1, 2001, the name was changed to Legend Securities, Inc.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Commissions and securities transactions

Commissions earned from customer securities transactions are recorded on a trade date basis. Securities transactions of the Company are recorded on a trade date basis.

Receivables from broker-dealers and clearing organizations

Receivables from broker-dealers and clearing organizations represent billings for trading commissions and licensing fees. Based on the Company's operating history and customer base, bad debts to date have not been material, and as such a reserve has not been established.

Depreciation

Furniture and equipment are recorded at cost. Depreciation is generally provided on a straight-line method over the estimated useful lives of the various assets as follows:

Furniture	7 years
Computer and office equipment	5 years

Maintenance and repairs are expensed as incurred, while renewals and betterments are capitalized.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Cash and cash equivalents

For purposes of the statement of cash flows, the Company considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents.

LEGEND SECURITIES, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2014

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income taxes

The Company accounts for income taxes under the liability method, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements. Under this method, deferred tax assets and liabilities are determined based on the difference between the financial statements and tax basis of assets and liabilities using enacted tax rates in effect for the year in which differences are expected to reverse. The Company files tax returns in the US and states in which it has operations and is subject to taxation. Tax years subsequent to 2010 remain open to examination by U.S. federal and state tax jurisdictions.

At December 31, 2014, management has determined that the Company had no uncertain tax positions that would require financial statement recognition in accordance with FASB ASC 740-10 "Accounting for Income Taxes". This determination will always be subject to ongoing re-evaluation as facts and circumstances may require. The Company remains subject to U.S. federal and state income tax audits for all periods.

Fair Value Measurements of Investments in Securities

The Company adopted the provisions of ASC Topic 820, "Fair Value Measurements". The pronouncement defines fair value as the price that would be received to sell an asset or paid to transfer a liability (i.e., the "exit price") in an orderly transaction between market participants at the measurement date. The standard establishes a fair value hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are those that market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Company. Unobservable inputs reflect the Company's assumptions about the inputs market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The fair value hierarchy is categorized into three levels based on the inputs as follows:

Level 1 - Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access. Valuation adjustments and block discounts are not applied to Level 1 securities. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these securities does not entail a significant degree of judgment.

Level 2 - Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Level 3 - Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

LEGEND SECURITIES, INC.
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2014

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Credit risk

The Company maintains substantially all its cash balances in a limited number of financial institutions. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. The Company did not have any uninsured cash balances at December 31, 2014, although at times during the year, the Company may have exceeded the insured limits. The Company performs periodic reviews of the relative credit rating of its banks to lower its risk.

Retail customer transactions are cleared through member firms of FINRA on a fully disclosed basis. In the event that customers default in payment of funds or delivery of securities, the Company may be charged for any loss incurred in satisfying customer obligations. Additional credit risk occurs if the clearing broker or counterparties do not fulfill their obligations. The Company regularly monitors the activity in its customer accounts for compliance with margin requirements.

NOTE 3 – DUE FROM CLEARING AGENT

The Company maintains deposits with its clearing agents totaling \$646,737 at December 31, 2014. This deposit is held in an account in the Company's name by the clearing agent and is invested in a money market account.

NOTE 4 – MARKETABLE SECURITIES

At December 31, 2014, marketable securities (both long and short positions) consisted of the following:

Cost	\$ 106,931
Gross unrealized gain	52,198
Gross unrealized loss	<u>(40,015)</u>
Market value	<u>\$ 119,114</u>

The market value for the securities are determined utilizing level 1 inputs from quoted prices in an active market, as defined in ASC 820, "Fair Value Measurements".

LEGEND SECURITIES, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2014

NOTE 5 - NONMARKETABLE SECURITIES

The Company received compensation in the form of warrants to acquire shares of a public company. At December 31, 2014, nonmarketable securities consisted of the following:

Cost	\$	--
Gross unrealized gain		<u>2,400</u>
Market value		<u>\$ 2,400</u>

NOTE 6 – FURNITURE AND EQUIPMENT

Furniture and equipment at cost consist of the following:

Furniture and fixtures	\$	7,077
Leasehold improvements		37,647
Equipment		<u>62,057</u>
		106,781
Less accumulated depreciation		<u>76,687</u>
		<u>\$ 30,094</u>

Depreciation expense for the year ended December 31, 2014 was \$8,037.

NOTE 7 – NOTE PAYABLE TO BANK

In October 2012, the Company entered into a \$250,000 line of credit with a bank. Interest on the line is incurred at the rate of prime plus .75%. The line is collateralized by substantially all the assets of the Company and is guaranteed by its parent and certain of its officers. At December 31, 2014, the Company owed \$245,699 under the line of credit.

NOTE 8 – NET CAPITAL REQUIREMENTS

The Company's minimum net capital requirement under Rule 15c3-1 of the Securities and Exchange Commission is the greater of 6 2/3% of aggregate indebtedness (\$86,610 at December 31, 2014) or \$100,000. At December 31, 2014, the net capital, as computed, was \$140,169. Consequently, the Company had excess net capital of \$40,169.

LEGEND SECURITIES, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2014

NOTE 9 – STOCKHOLDERS' EQUITY

Preferred Stock

The Company is authorized to issue 5,000,000 shares of \$.01 par value preferred stock. The preferred shares may be designated in one or more series, with each series to have such designations, rights and preferences as may be determined from time to time by the Board of Directors.

On January 7, 2000, the Company amended its certificate of incorporation to designate 1,000,000 of the authorized shares of preferred stock as Series A Convertible Preferred Stock ("Series A"). Each share of Series A is convertible into 1 shares of the Company's Common Stock, subject to certain price adjustments. The Series A stock is to automatically convert into common stock upon the completion of a public offering of shares of the Company's common stock of at least \$20 million. The shares are voting shares entitled to vote, based on the number of shares convertible into common shares, on all actions to be taken by the shareholders of the Company. These shares will be entitled to non-cumulative dividends at the rate of \$.70 per share per annum. The Series A shares are entitled to a liquidation preference equal to \$10 per share.

Common Stock

The Company was originally authorized to issue 10,000,000 shares of \$.01 par value common stock. In December 2001, the Company amended its certificate of incorporation to increase the number of shares authorized to 200,000,000. In March 2002, the Company further amended its certificate of incorporation to correct for a technical error in the original filing to change the shares to have a par value of \$.0001.

Treasury Stock

In December 2004, the Company repurchased 20,000 shares of the Company's common stock from one of its shareholders for \$1. The shares are currently reflected as treasury stock and recorded using the cost method.

LEGEND SECURITIES, INC.
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2014

NOTE 10 – INCOME TAXES

The Company's income tax at December 31, 2014 consists of the following:

Current:		
Federal	\$	
State		<u>20,720</u>
		\$ 20,720
Deferred:		
Federal	--	
State	<u>--</u>	
		<u>--</u>
Income taxes		<u>\$20,720</u>

NOTE 11 - INDEMNIFICATIONS

In the normal course of business, the Company indemnifies and guarantees certain service providers, such as clearing and custody agents, trustees and administrators, against specified potential losses in connection with their acting as an agent of, or providing services to the Company. The maximum potential amount of future payments that the Company could be required to make under these indemnifications cannot be estimated. However, the Company believes that it is unlikely it will have to make material payments under these arrangements and has not recorded any contingent liability in the financial statements for these indemnifications.

NOTE 12 – SUBSEQUENT EVENTS

The Company evaluated the effects of all subsequent events through March 16, 2015, the date on which the financial statements were issued.

SUPPLEMENTARY INFORMATION

LEGEND SECURITIES, INC.

Schedule I – Computation of Net Capital Under Rule 15c3-1 of the Securities and Exchange Commission

December 31, 2014

Total stockholders' equity		\$ 1,290,737
Deductions and/or charges:		
Other current assets	\$ 1,028,959	
Non-allowable assets from brokers	10,431	
Security deposits	60,500	
Furniture and equipment	<u>30,094</u>	
		1,129,984
Haircuts		20,451
Undue Concentration		<u>133</u>
Net capital		140,169
Minimum net capital		<u>100,000</u>
Excess net capital		<u>\$ 40,169</u>
Aggregate indebtedness:		
Accounts payable and accrued expenses and loans from stockholders		<u>\$ 1,299,151</u>
Ratio: aggregate indebtedness to net capital		<u>9.27 to 1</u>

See notes to financial statements.

LEGEND SECURITIES, INC.

Reconciliation of the Computation of Aggregate Indebtedness and Net Capital with that of the Registrant as Filed in Part IIA of Form X-17A-5

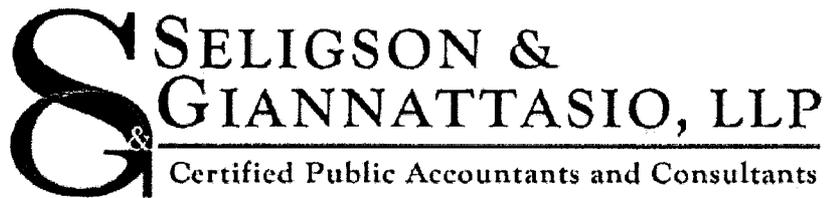
December 31, 2014

AGGREGATE INDEBTEDNESS

Aggregate indebtedness as reported by Registrant in Part IIA of the Form X-17A-5 as of December 31, 2014	\$1,296,871
Reconciling items:	
Additional accruals	<u>2,280</u>
	<u>\$1,299,151</u>

NET CAPITAL

Net capital, as reported by registrant in Part IIA of Form X-17A-5 as of December 31, 2014	\$140,040
Reconciling items:	
Additional expenses	(2,280)
Recording of gain on stock sold	280
Adjustment to haircut calculation for shares sold	<u>2,129</u>
	<u>\$140,169</u>



14 Ver Valen Street
Closter, NJ 07624

723 N Broadway
White Plains, NY 10603

Report of the Independent Registered Public Accounting Firm

We have reviewed management's statements, included in the accompanying Exemption Report, in which (1) Legend Securities, Inc. (the "Company") identified the provisions of 17 C.F.R. Section 15c3-1(k) under which Legend Securities Inc. claimed an exemption from 17 C.F.R. Section 240.15c3-3: (k)(2)(ii) (the "exemption provisions") and (2) Legend Securities Inc. stated that the Legend Securities Inc. met the identified exemption provisions throughout the most recent fiscal year. The Company's management is responsible for compliance with the exemption provisions and its statements.

Our review was conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States) and, accordingly, included inquiries and other required procedures to obtain evidence about the Company's compliance with the exemption provisions. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on management's statements. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to management's statements referred to above for them to be fairly stated, in all material respects, based on the conditions as set forth in paragraph (k)(2)(ii) of Rule 15c3-3 under the Securities Act of 1934.

Seligson & Giannattasio LLP

Seligson & Giannattasio LLP
White Plains, NY
March 16, 2015

The AICPA and SIFMA's Financial Management Society, whose members include individuals associated with various independent public accounting firms and independent financial services firms, provide this sample exemption report for information purposes only. The exemption report required by SEC Rule 17a-5 is the responsibility of the firm making such report, and the AICPA and SIFMA recommend that firms seek the advice of their own legal and/or other advisers with respect to their exemption reports.

Legend Securities, Inc. Exemption Report

Legend Securities, Inc., (the "Company") is a registered broker-dealer subject to Rule 17a-5 promulgated by the Securities and Exchange Commission (17 C.F.R. §240.17a-5, "Reports to be made by certain brokers and dealers"). This Exemption Report was prepared as required by 17 C.F.R. § 240.17a-5(d)(1) and (4). To the best of its knowledge and belief, the Company states the following:

(1) The Company claimed an exemption from 17 C.F.R. § 240.15c3-3 under the following provisions of 17 C.F.R. § 240.15c3-3 (k)(2)(ii)

(k)(2)(ii) Exemption - Applies to broker-dealers who, as introducing broker-dealers, clear all customer transactions on a fully-disclosed basis with a clearing broker-dealer, and who promptly transmit all customer funds and securities to such clearing broker-dealer. In these arrangements, the clearing broker-dealer carries all of the customer accounts of the introducing broker-dealer and maintains and preserves such books and records related to customer accounts as required by SEC Rules 17a-3 and 17a-4.

Legend Securities, Inc.

I, Salvatore C. Caruso, affirm that, to the best of my knowledge and belief, this Exemption Report is true and correct.

By: 

President & VFO

March 13, 2015

¹ Where a broker-dealer's 2014 or 2015 fiscal year begins prior to June 1, 2014, the broker-dealers Exemption Report may cover the portion of its fiscal year beginning on or after June 1, 2014. However, the broker-dealer may elect to have its Exemption Report cover the entire fiscal year. Legend operates on a calendar year basis.



LEGEND SECURITIES, INC.

MEMBER FINRA / MSRB / SIPC

March 16, 2015

Seligson & Giannattasio, LLP
723 N Broadway
White Plains, NY 10603

To Whom It May Concern:

This representation letter is provided in connection with your audit of the financial statements of Legend Securities, Inc., which comprise the statement of financial condition as of December 31, 2014, and the related statements of operations, changes in stockholder's equity, and cash flows for the year then ended pursuant to Rule 17a-5 under the Securities Exchange Act of 1934, and the related notes to the financial statements and supplemental information, for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States (U.S. GAAP). We are also responsible for adopting sound accounting policies, establishing and maintaining internal control, and preventing and detecting fraud.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm, to the best of our knowledge and belief, as of March 16, 2015, the following representations made to you during your audit.

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated January 13, 2015, including our responsibility for the preparation and fair presentation of the financial statements pursuant to Rule 17a-5 under the Securities and Exchange Act of 1934, and the related notes to the financial statements and supplemental information.
- The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all disclosures necessary for such fair presentation and disclosures required to be included by the laws and regulations to which the Company is subject.
- We have provided you with:
 - Access to all financial records and other information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
 - Additional information that you have requested from us for the purpose of the audit.
 - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
 - There have been no meetings of stockholders, directors, and committees of directors during the year ended December 31, 2014.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements and supplementary information that are free from material misstatement, whether due to fraud or error.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- Related party relationships and transactions and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
- Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.

45 Broadway, 32nd Floor ♦ New York, NY 10006 ♦ PHONE: (212) 344-5747 ♦ FAX: (212) 898-1224

WWW.LEGENDSECURITIES.COM

Member FINRA/MSRB/SIPC

- Significant estimates and material concentrations known to management have been properly disclosed in accordance with U.S. GAAP.
- The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole.
- The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
- Guarantees, whether written or oral, under which the company is contingently liable, have been properly recorded or disclosed in accordance with U.S. GAAP.
- There are no material unrecorded assets or contingent assets, such as claims relating to buy-ins, unfulfilled contracts, etc., whose value depends on the fulfillment of conditions regarded as uncertain.
- All borrowings and financial obligations of which we are aware are included in the financial statements, and all borrowing arrangements of which we are aware are disclosed.
- There are no securities or investments not readily marketable owned by us or borrowed under subordination agreements.
- The Company has assessed the impact of FASB ASC 740, Income Taxes, and has determined that no material liability is required to be recorded.
- There are no borrowings or claims unconditionally subordinated to all claims or general creditors pursuant to a written agreement.
- The books and records underlying the financial statements and supplemental information have been reconciled to supporting data and properly adjusted as necessary.
- All material transactions have been properly recorded in the accounting records and reflected in the financial statements.
- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
 - Management,
 - Employees who have significant roles in internal control, or
 - Others where the fraud could have a material effect on the financial statements.
- We have no knowledge of any allegations of fraud or suspected fraud affecting the Company's financial statements communicated by employees, former employees, regulators, or others.
- We have no knowledge of any violations or suspected violations of laws and regulations whose effects should be considered when preparing financial statements or as a basis for recording a loss contingency.
- We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
- There are no unasserted claims or assessments that our lawyer has advised us are probable of assertion and must be disclosed in accordance with *FASB Accounting Standards Codification 275, Risks and Uncertainties*.
- There are no other liabilities or gain or loss contingencies that are required to be accrued or disclosed under GAAP.
- We have disclosed to you the identity of the Company's related parties and all the related party relationships and transactions of which we are aware.
- The company has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- Information about financial instruments with off-balance-sheet risk and financial instruments (including receivables) with concentrations of credit risk have been properly disclosed.
- We have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.

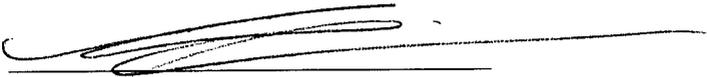
- We have complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- We understand and acknowledge our responsibility for the fair presentation of the computation of net capital in accordance with U.S. GAAP and Rule 17a-5 of the Securities and Exchange Act of 1934. We believe the computation of net capital, including its form and content, is fairly presented in accordance with U.S. GAAP and SEC Rule 17a-5. The methods of measurement and presentation of the computation of net capital have not changed from those used in the prior period. The form and content of computation of net capital complies, in all material respects, with the regulatory requirements of SEC Rule 17a-5. We are responsible for, and have disclosed to you, any significant assumptions or interpretations underlying the measurement and presentation of the supplemental information, and we believe that those assumptions or interpretations are appropriate.
- There have been no regulatory examination reports, supervising correspondence, or similar materials received from applicable regulatory agencies, including communications concerning supervisory actions or noncompliance with, or deficiencies in, rules, regulations, or supervisory actions during the year ended December 31, 2014 or through March 16, 2015.
- There are no capital withdrawals anticipated within the next six months other than in the ordinary course of business.
- We are responsible for establishing and maintaining adequate internal control for safeguarding the Company's securities and for the practices and procedures relevant to the objectives stated in SEC Rule 17a-5(g), including making periodic computations of aggregated indebtedness (or aggregate debits) and net capital under Rule 15c3-1 and for maintaining 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 do not maintain practices and procedures related to the following:
 - Making quarterly securities examinations, counts, verifications, and comparisons, and recording the differences as required by Rule 17a-13.
 - 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.

We believe that our practices and procedures were adequate at December 31, 2014 to meet the SEC's objectives. There have been no significant changes in internal control since December 31, 2014.

- We acknowledge our responsibility for compliance with the identified exemption provisions throughout the year, which are the responsibility of management. We have made available to you all records and other information relating to our assertions, including communications from regulatory agencies, internal auditors, and others who perform equivalent functions and compliance functions concerning possible exceptions to exemption provisions through the date of the review report. There have been no known events or other factors subsequent to the period addressed in our assertions that might significantly affect our compliance with the identified exemption provisions.
- The Company has been in compliance with the exemptive provisions of SEC Rule 15c3-3 at all times during the year ended December 31, 2015 and through March 13, 2015.
- Net capital computations prepared by us during the period January 1, 2014 through December 31, 2015 indicated that we were in compliance with the requirements of The Net Capital Rule (SEC Rule 15c3-1) at all times during the period. The Company is not subject to, and did not prepare, a calculation for the reserve requirements of SEC Rule 15c3-3.
- There were no significant deficiencies, material weaknesses, or material inadequacies at December 31, 2014 or during the period January 1, 2014 through December 31, 2014, in internal control over financial reporting and control activities for safeguarding the Company's securities (as well as other assets), and the practices and procedures followed in making periodic computations of aggregate indebtedness (or aggregate debits) and net capital as defined in accordance with the Net Capital Rule (SEC Rule 15c3-1).

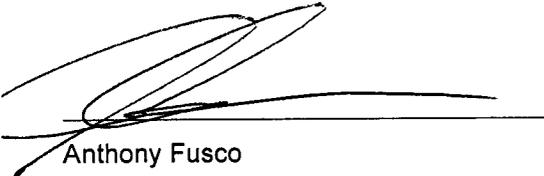
- The Company did not owe PCAOB accounting support fees for the year ended December 31, 2014.
- We are aware of the requirements regarding expense-sharing agreements as specified in SEC Rule 15c3-1(a)(2)(i)(F) and the July 11, 2003, letter issued by the Securities and Exchange Commission, Division of Market Regulation. We believe that the Company has sufficient documentation necessary to verify the financial independence of the affiliated entity assuming the Company's liabilities, has appropriately recorded all expenses relative to the operation of its business, and is in compliance with the Rule and the requirements stipulated in the letter.

No events have occurred subsequent to the balance sheet date and through the date of this letter that would require adjustment to, or disclosure in, the financial statements.



Salvatore C. Caruso

President & CFO



Anthony Fusco

CEO

To the Board of Directors of Legend Securities, Inc.
45 Broadway, 32nd Floor
New York, NY 10006

In accordance with Rule 17a-5(e)(4) under the Securities Exchange Act of 1934, we have performed the procedures enumerated below with respect to the accompanying Schedule of Assessment and Payments (Form SIPC-7) to the Securities Investor Protection Corporation (SIPC) for the period from January 1, 2014 to December 31, 2014, which were agreed to by Legend Securities, Inc. (the "Company") and the Securities and Exchange Commission, Financial Industry Regulatory Authority, Inc. and SIPC, solely to assist you and the other specified parties in evaluating the Company's compliance with the applicable instructions of the General Assessment Reconciliation (Form SIPC-7). The Company's management is responsible for the Company's compliance with those requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose. The procedures we performed and our findings are as follows:

1. Compared the listed assessment payments in Form SIPC-7 with respective cash disbursement records entries noting no differences;
2. Compared the Total Revenue amounts of the audited Form X-17A-5 for the year ended December 31, 2014 with the amounts reported in Form SIPC-7 for the period from January 1, 2014 to December 31, 2014 noting no differences;
3. Compared any adjustments reported in Form SIPC-7 with supporting schedules and working papers noting no differences;
4. Proved the arithmetical accuracy of the calculations reflected in Form SIPC-7 and in the related schedules and working papers supporting the adjustments noting no differences; and

We were not engaged to, and did not conduct an examination, the objective of which would be the expression of an opinion on compliance. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the specified parties listed above and is not intended to be and should not be used by anyone other than these specified parties.

Seligson & Giannattasio LLP

Seligson & Giannattasio, LLP
White Plains, NY
March 13, 2015



LEGEND SECURITIES, INC.

MEMBER FINRA / MSRB / SIPC

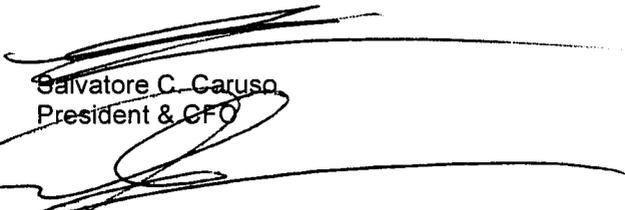
March 16, 2015

Seligson & Giannattasio, LLP
723 N Broadway
White Plains, NY 10603

To Whom It May Concern:

In connection with your engagement to apply agreed-upon procedures to the Schedule of Assessment and Payments (Form SIPC-7) to the Securities Investor Protection Corporation (SIPC) of Legend Securities, Inc. for the year ended December 31, 2014, we confirm, to the best of our knowledge and belief, as of the date of this letter, the following representations made to you during your engagement.

- 1) We are responsible for the Company's compliance with the applicable instructions of the General Assessment Reconciliation (Form SIPC-7) in accordance with Rule 17a-5(e)(4) of the Securities and Exchange Act of 1934.
- 2) We are responsible for establishing and maintaining effective internal control over compliance with the applicable instructions of the General Assessment Reconciliation (Form SIPC-7).
- 3) We are responsible for the presentation of the Schedule of Assessment and Payments (Form SIPC-7) in accordance with Rule 17a-5(e)(4) of the Securities and Exchange Act of 1934.
- 4) As of December 31, 2014, the Schedule of Assessment and Payments is presented in compliance with the applicable instructions of the General Assessment Reconciliation (Form SIPC-7) in accordance with Rule 17a-5(e)(4) of the Securities and Exchange Act of 1934.
- 5) We are responsible for selecting the agreed-upon procedures criteria and for determining that such criteria are sufficient and appropriate for our purposes.
- 6) We have disclosed to you all known noncompliance with the applicable instructions of the General Assessment Reconciliation (Form SIPC-7), including noncompliance occurring after December 31, 2014.
- 7) We have made available all documentation and other information that we believe is relevant to our compliance with the applicable instructions of the General Assessment Reconciliation (Form SIPC-7).
- 8) There have been no communications from regulatory agencies, internal auditors, or other independent accountants or consultants regarding possible noncompliance with the applicable instructions of the General Assessment Reconciliation (Form SIPC-7), including communications received between January 1, 2014 and the date of this letter.
- 9) We have responded fully to all inquiries made to us by you during the engagement.
- 10) No events have occurred subsequent to December 31, 2014 and through the date of this letter that would require adjustment to or modification of the Schedule of Assessment and Payments.
- 11) Your report is intended solely for the information and use of Legend Securities, Inc., the Securities and Exchange Commission, the Financial Industry Regulatory Authority, Inc., and the Securities Investor Protection Corporation and is not intended to be and should not be used by anyone other than these specified parties.



Salvatore C. Caruso
President & CFO

Anthony Fusco
CEO

45 Broadway, 32nd Floor ♦ New York, NY 10006 ♦ PHONE: (212) 344-5747 ♦ FAX: (212) 898-1224

WWW.LEGENDSECURITIES.COM

Member FINRA/MSRB/SIPC

SIPC-7

(33-REV 7/10)

SECURITIES INVESTOR PROTECTION CORPORATION
P.O. Box 92185 Washington, D.C. 20090-2185
202-371-8300

General Assessment Reconciliation

SIPC-7

(33-REV 7/10)

For the fiscal year ended 12/31/2014

(Read carefully the instructions in your Working Copy before completing this Form)

TO BE FILED BY ALL SIPC MEMBERS WITH FISCAL YEAR ENDINGS

1. Name of Member, address, Designated Examining Authority, 1934 Act registration no. and month in which fiscal year ends for purposes of the audit requirement of SEC Rule 17a-5:

Legend Securities Inc
45 Broadway
32nd Floor
New York NY 10006-3007

Note: If any of the information shown on the mailing label requires correction, please e-mail any corrections to form@sipc.org and so indicate on the form filed.

Name and telephone number of person to contact respecting this form.

WORKING COPY

2. A. General Assessment (item 2e from page 2)	\$ <u>51,901</u>
B. Less payment made with SIPC-6 filed (exclude Interest) <u>10/31/2015</u> Date Paid	(<u>27,933</u>)
C. Less prior overpayment applied	(<u>0</u>)
D. Assessment balance due or (overpayment)	<u>23,908</u>
E. Interest computed on late payment (see instruction E) for <u>0</u> days at 20% per annum	<u>0</u>
F. Total assessment balance and interest due (or overpayment carried forward)	\$ <u>23,908</u>
G. PAID WITH THIS FORM: Check enclosed, payable to SIPC Total (must be same as F above)	\$ <u>23,908</u>
H. Overpayment carried forward	\$(<u> </u>)

3. Subsidiaries (S) and predecessors (P) included in this form (give name and 1934 Act registration number):

The SIPC member submitting this form and the person by whom it is executed represent thereby that all information contained herein is true, correct and complete.

Legend Securities Inc

(Name of Corporation, Partnership or other organization)

(Authorized Signature)

President / CFO

(Title)

Dated the 27 day of February, 20 15.

This form and the assessment payment is due 60 days after the end of the fiscal year. Retain the Working Copy of this form for a period of not less than 6 years, the latest 2 years in an easily accessible place.

SIPC REVIEWER

Dates: Postmarked Received Reviewed

Calculations Documentation Forward Copy

Exceptions:

Disposition of exceptions:

