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SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549ANNUAL AUDITED REPORT
FORM X-17A-5
PART IIIOMB APPROVAL
OMB Number: 3235-0123
Expires: March 31, 2016
Estimated average burden
hours per response..... 12.00SEC FILE NUMBER
8-48028

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Information Required of Brokers and Dealers Pursuant to Section 17 of the
Securities Exchange Act of 1934 and Rule 17a-5 ThereunderREPORT FOR THE PERIOD BEGINNING January 1, 2014 AND ENDING December 31, 2014
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Smith Wiley Securities, Inc.

OFFICIAL USE ONLY

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

FIRM I.D. NO.

8 Clermont Park

(No. and Street)

Farmington

(City)

CT

(State)

06032

(Zip Code)

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

Gwendolyn Smith Iloanl860-548-2513

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Whittlesey & Hadley

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

280 Trumbull Street, 24th floor

(Address)

Hartford

(City)

CT

(State)

06103-3069

(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)

SEC 1410 (06-02)

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OATH OR AFFIRMATION

I, Gwendolyn Smith Iloani, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Smith Whiley Securities, Inc., as of December 31, 2014, 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:

Rosalind R. Best

My commission expires 1-31-2020

Rosalind R. Best
Notary Public

Gwendolyn Smith Iloani
Signature
President & Chief Executive Officer
Title

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).

SMITH WHILEY SECURITIES, INC.

(A WHOLLY-OWNED SUBSIDIARY OF SMITH WHILEY & COMPANY)

Financial Statements
and Supplemental Schedule

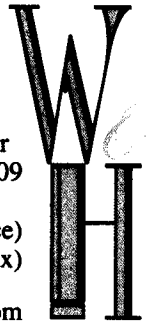
December 31, 2014 and 2013

SMITH WHILEY SECURITIES, INC.

(A WHOLLY-OWNED SUBSIDIARY OF SMITH WHILEY & COMPANY)

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**REPORT OF INDEPENDENT REGISTERED
PUBLIC ACCOUNTING FIRM**

To The Board of Directors and Stockholder of
Smith Whiley Securities, Inc.

Report on the Financial Statements

We have audited the accompanying statements of financial condition of Smith Whiley Securities, Inc. (the "Company") as of December 31, 2014 and 2013 and the related statements of operations, changes in stockholder's equity and cash flows for the years then ended, and the related notes to the financial statements. 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 audits.

Scope

We conducted our audits 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 from 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 our audits provide a reasonable basis for our opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects the financial position of Smith Whiley Securities, Inc. as of December 31, 2014 and 2013, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Report on Supplemental Information

Our audits were conducted for the purpose of forming an opinion on the financial statements taken as a whole. The information contained in Schedule 1 has been subjected to audit procedures performed in conjunction with the audit of the Company's financial statements. The supplemental information 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 supplemental information. 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. § 240.17a-5. In our opinion, the identified supplemental information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Whittlesey & Hadley, P.C.

Hartford, Connecticut
February 12, 2015

SMITH WHILEY SECURITIES, INC.

(A WHOLLY-OWNED SUBSIDIARY OF SMITH WHILEY & COMPANY)

STATEMENTS OF FINANCIAL CONDITION

	December 31,	
	2014	2013
ASSETS		
Cash	\$ 8,983	\$ 7,444
Prepaid expenses	3,496	3,768
Total assets	\$ 12,479	\$ 11,212
LIABILITIES		
Accounts payable	\$ -	\$ 952
Other liabilities	-	-
Total liabilities	-	952
STOCKHOLDER'S EQUITY		
Common Stock - par value - (\$.001 per share); 1,000,000 shares authorized, issued and outstanding in 2014 and 2013	1,000	1,000
Additional paid in capital	111,151	97,798
Accumulated deficit	(99,672)	(88,538)
Total stockholder's equity	12,479	10,260
Total liabilities and stockholder's equity	\$ 12,479	\$ 11,212

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

SMITH WHILEY SECURITIES, INC.

(A WHOLLY-OWNED SUBSIDIARY OF SMITH WHILEY & COMPANY)

STATEMENTS OF OPERATIONS

	For the years ended December 31,	
	2014	2013
Revenues	<u>\$ -</u>	<u>\$ -</u>
Expenses		
Audit expense	4,000	3,900
Compliance expense	-	3,934
Insurance expense	716	686
Registration expense	1,479	1,215
Other administrative expenses	<u>4,939</u>	<u>4,200</u>
Total expenses	<u>11,134</u>	<u>13,935</u>
Net Loss	<u>\$ (11,134)</u>	<u>\$ (13,935)</u>

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

SMITH WHILEY SECURITIES, INC.

(A WHOLLY-OWNED SUBSIDIARY OF SMITH WHILEY & COMPANY)

STATEMENTS OF CHANGES IN STOCKHOLDER'S EQUITY

For the years ended December 31, 2014 and 2013

	<u>Common Stock</u>		<u>Additional Paid-In Capital</u>	<u>Accumulated Deficit</u>	<u>Total Stockholder's Equity</u>
	<u>Shares</u>	<u>Amount</u>			
Balance at December 31, 2012	1,000,000	\$ 1,000	\$ 82,886	\$ (74,603)	\$ 9,283
Capital contribution	-	-	14,912	-	14,912
Net Loss	-	-	-	(13,935)	(13,935)
Balance at December 31, 2013	1,000,000	1,000	97,798	(88,538)	10,260
Capital contribution	-	-	13,353	-	13,353
Net Loss	-	-	-	(11,134)	(11,134)
Balance at December 31, 2014	<u>1,000,000</u>	<u>\$ 1,000</u>	<u>\$111,151</u>	<u>\$ (99,672)</u>	<u>\$ 12,479</u>

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

SMITH WHILEY SECURITIES, INC.

(A WHOLLY-OWNED SUBSIDIARY OF SMITH WHILEY & COMPANY)

STATEMENTS OF CASH FLOWS

	For the years ended December 31,	
	2014	2013
Cash flows from operating activities		
Net loss	\$ (11,134)	\$ (13,935)
Adjustments to reconcile net income to net cash used in operating activities:		
Changes in assets and liabilities		
Decrease (increase) in prepaid expenses	272	(1,503)
(Decrease) increase in accounts payable	(952)	517
(Decrease) in accrued expenses	-	(2,500)
Net cash used in operating activities	<u>(11,814)</u>	<u>(17,421)</u>
Cash flows from financing activities		
Capital contribution	<u>13,353</u>	<u>14,912</u>
Net cash provided by financing activities	<u>13,353</u>	<u>14,912</u>
Net increase (decrease) in cash	1,539	(2,509)
Cash at beginning of year	<u>7,444</u>	<u>9,953</u>
Cash and cash equivalents at end of period	<u>\$ 8,983</u>	<u>\$ 7,444</u>

Supplemental disclosure of cash flow information

The Company paid no interest or taxes during 2014 and 2013.

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

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Smith Wiley Securities, Inc. (the "Company"), organized and incorporated on November 23, 1994, is registered as a broker/dealer with the Securities and Exchange Commission and is a member of the Financial Industry Regulatory Authority (FINRA). The Company is a wholly-owned subsidiary of Smith Wiley & Company (the "Parent"). The Company distributes limited partnership interests in Parent sponsored funds. The Company's distribution activities did not generate any commission revenue or expense in 2014 or 2013.

The Company and the Parent entered into a Management Services and Overhead Reimbursement Agreement in 1995 (the "Agreement"). The Parent makes the services of its employees, administrative support, office space, equipment and other requested services available to the Company pursuant to the Agreement.

On June 18, 2011, the Company entered into an Amended and Restated Management Services and Overhead Reimbursement Agreement with the Parent, effective April 1, 2011. The amended agreement clarified the Company's relationship with the Parent and listed certain revenues and expenses that would be paid or assumed by the Company. All expenses associated with the activities of operating as a broker/dealer are recorded by the Company in its financial statements.

On October 27, 2011, the Company entered into a modified Amended and Restated Management Services and Overhead Reimbursement Agreement with the Parent which more specifically identified expenses that would be charged to the Company and recorded in its financial statements.

The Company relies on equity funding from the Parent for operations.

Cash

Cash represents amounts on deposit in a business checking account.

Income Taxes

The Company is part of a consolidated group for federal income tax return purposes, and is a "qualified S-Corporation subsidiary". Therefore, there are no federal or state income tax accruals herein, as these obligations are passed through to the stockholder. Additionally, in accordance with ASC 740, *Income Taxes*, there are no tax positions taken or expected to be taken in the course of preparing the Parent's tax returns that are "more-likely-than-not" of being sustained by the applicable tax authority.

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 amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

NOTES TO FINANCIAL STATEMENTS

2. TRANSACTIONS WITH AFFILIATES

Certain personnel of the Parent are registered representatives of the Company and are eligible to earn commissions in connection with the distribution of limited partnership interests in Parent sponsored funds. In such instances, the Parent may compensate the Company through payment of a commission, which, in turn, the Company would pay to such registered representatives and record such as an expense. There were no commissions earned or paid for the years ended December 31, 2014 and 2013 as there were no sales of limited partnership interests in Parent sponsored funds.

The Parent contributed additional paid-in-capital of \$13,353 during the year ended 2014 to support operations pursuant to the Agreement discussed above.

3. NET CAPITAL AND RESERVE REQUIREMENTS

As a registered broker/dealer and member of the FINRA, the Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule 15c3-1, which states that net capital, as defined, shall not be less than \$5,000. The Company's net capital for regulatory purposes at December 31, 2014 equaled \$8,983 which is in excess of the required minimum.

The Company does not hold funds or securities for, or owe funds or securities to, customers other than funds or securities promptly forwarded to an unaffiliated bank escrow agent account, if applicable. There has not been any activity of this kind during 2014 or 2013. The Company is thereby exempt from Rule 15c3-3 of the Securities Exchange Act of 1934 by paragraph (k)(2)(i) of that rule as it relates to promptly obtaining and maintaining physical possession or control of customers' securities.

**COMPUTATION OF NET CAPITAL AND AGGREGATE INDEBTEDNESS,
UNDER SEC RULE 15c3-1**

SUPPLEMENTAL SCHEDULE – SCHEDULE 1

December 31, 2014

Stockholder's equity	\$ 12,479
Less: Nonallowable assets	(3,496)
Add: Unrealized gains on municipal securities	-
Net capital before haircut on security position	8,983
Less: Haircut on other securities	-
Net capital	8,983
Minimum net capital required to be maintained	5,000
Net capital in excess of requirement	\$ 3,983

The above calculation does not differ from the Company's unaudited Focus Report as of December 31, 2014.

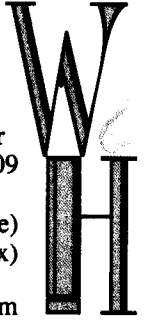
WHITTLESEY & HADLEY, P.C.

Certified Public Accountants/Consultants

280 Trumbull Street, 24th Floor
Hartford, Connecticut 06103-3509

860.522.3111 (voice)
860.728.0232 (fax)

www.whcpa.com



Report of Independent Registered Public Accounting Firm

We have reviewed management's statements, included in the accompanying "*Management Assertion Regarding Exemption Provisions*", in which (1) Smith Whiley Securities, Inc. identified the following provisions of 17 C.F.R. § 15c3-3(k) under which Smith Whiley Securities, Inc. claimed an exemption from 17 C.F.R. § 240.15c3-3: 15c 3-3 (k)(2)(i) (the "exemption provisions") and (2) Smith Whiley Securities, Inc. stated that Smith Whiley Securities, Inc. met the identified exemption provisions throughout the period from June 1, 2014 through December 31, 2014. Smith Whiley Securities, Inc.'s management is responsible for compliance with the exemption provisions and its statements.

Scope

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 Smith Whiley Securities, Inc.'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.

Review Results

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 provisions set forth in paragraph (k)(2)(i) of Rule 15c3-3 under the Securities Exchange Act of 1934.

Whittlesey & Hadley, P.C.

Hartford, Connecticut
February 12, 2015

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Offices in Hartford, Connecticut & Holyoke, Massachusetts



SMITH WHILEY SECURITIES, INC.

**Management Assertion Regarding Exemption Provisions
Under Rule 15c3-3 of the Securities and Exchange Commission**

Smith Wiley Securities, Inc. (the "Company") is a fully disclosed introducing broker-dealer. The Company does not carry securities accounts for customers or perform custodial functions relating to customer securities. Therefore, we as members of management assert that the Company is exempt from reporting under SEC Rule 17a-5 as follows:

- The Company is exempt under SEC Rule 15c3-3(k)(2)(i);
- The Company has procedures and controls in place to monitor compliance with the exemption cited above;
- And the Company met the exemption provisions under Sec Rule 15c3-3(k)(2)(i) throughout the period from June 1, 2014 through December 31, 2014.

Smith Wiley Securities, Inc.

By:

Gwendolyn Smith Iloani
President and Chief Executive Officer

February 12, 2015

Date