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PUBLIC

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

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

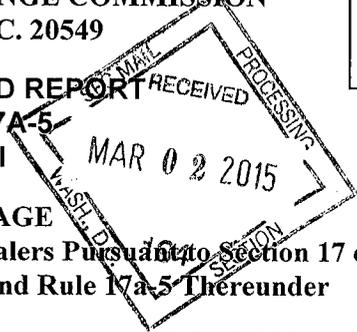
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Information Required of Brokers and Dealers Pursuant to Section 17 of the Securities Exchange Act of 1934 and Rule 17a-5 Thereunder

REPORT FOR THE PERIOD BEGINNING 1/01/14 AND ENDING 12/31/14 MM/DD/YY MM/DD/YY

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SEC FILE NUMBER 8-29751



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A. REGISTRANT IDENTIFICATION

NAME OF BROKER DEALER: Midas Securities Group, Inc.

OFFICIAL USE ONLY FIRM ID. NO.

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

11 Hanover Square (No. and Street)

New York (City)

New York (State)

10005 (Zip Code)

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

Thomas O'Malley

212-785-0900

(Area Code — Telephone No.)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Tait, Weller & Baker LLP

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

1818 Market Street (Address)

Philadelphia (City)

Pennsylvania (State)

19103 (Zip Code)

CHECK ONE:

- [X] Certified Public Accountant [] Public Accountant [] Accountant not in residence 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).

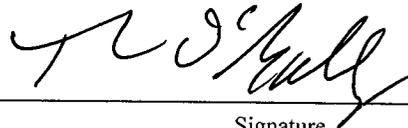
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SEC 1410 (06-02)

Handwritten initials: K W / U

OATH OR AFFIRMATION

I, Thomas O'Malley, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Midas Securities Group, Inc., as 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

Vice President
Chief Financial Officer

Title



Notary Public

IRENE K. KAWCZYNSKI
Notary Public, State of New York
No. 01KA489282
Qualified in Kings County
Commission Expires June 29, 2015

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

- (a) Facing Page.
- (b) Statement of Financial Condition.
- (c) Statement of Income (Loss).
- (d) Statement of Cash Flows.
- (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 for Broker Dealers Pursuant to Rule 15c3-1.
- (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 Securities Investor Protection Corporation 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).

MIDAS SECURITIES GROUP, INC.

**(A Wholly-Owned Subsidiary of
WINMILL & CO. INCORPORATED)**

STATEMENT OF FINANCIAL CONDITION
AND REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

DECEMBER 31, 2014

MIDAS SECURITIES GROUP, INC.
(A Wholly-Owned Subsidiary of Winmill & Co. Incorporated)

STATEMENT OF FINANCIAL CONDITION

December 31, 2014

ASSETS

| | |
|-----------------------------------|---------------------|
| Cash and cash equivalents | \$ 528,362 |
| Investments | 4,179,856 |
| Receivable from Funds: | |
| Distribution and service fees | 17,541 |
| Record keeping | 3,413 |
| Prepaid expenses and other assets | 25,781 |
| Deferred taxes | <u>706,098</u> |
| Total assets | <u>\$ 5,461,051</u> |

LIABILITIES AND STOCKHOLDER'S EQUITY

| | |
|--|---------------------|
| Liabilities | |
| Payable to affiliates | \$ 1,770 |
| Accounts payable and accrued expenses | <u>46,140</u> |
| Total liabilities | <u>47,910</u> |
| Stockholder's Equity | |
| Common stock, \$.01 par value | |
| 1,000 shares authorized; 100 shares issued and outstanding | 1 |
| Additional paid-in capital | 6,060,379 |
| Retained (deficit) | <u>(647,239)</u> |
| Total stockholder's equity | <u>5,413,141</u> |
| Total liabilities and stockholder's equity | <u>\$ 5,461,051</u> |

See notes to financial statement.

MIDAS SECURITIES GROUP, INC.
(A Wholly-Owned Subsidiary of Winmill & Co. Incorporated)

NOTES TO STATEMENT OF FINANCIAL CONDITION

December 31, 2014

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF OPERATIONS

Midas Securities Group, Inc. (“MSG” or the “Company”) is a wholly-owned subsidiary of Winmill & Co. Incorporated (“Winco”). MSG provides distribution services to the Midas Series Trust (the “Trust”), on behalf of Midas Fund, Midas Magic, and Midas Perpetual Portfolio (collectively, the “Funds”), a family of open end mutual funds managed by Midas Management Corporation (“MMC”), a subsidiary of Winco. The Company is registered under the Securities Exchange Act of 1934 as a broker/dealer and is a member of the Financial Industry Regulatory Authority, Inc.

ACCOUNTING ESTIMATES

In preparing financial statements in conformity with U.S. generally accepted accounting principles, management makes estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

CASH AND CASH EQUIVALENTS

Investments in money market funds and short-term investments and other marketable securities maturing in 90 days or less are considered to be cash equivalents.

INVESTMENTS

Investments are stated at fair value and unrealized gains and losses are recognized in the statement of income.

FAIR VALUE MEASUREMENT

Fair value is defined as the price that the Company would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date. The Company uses a three level hierarchy for fair value measurements based on the transparency of inputs to the valuation of an asset or liability. Inputs may be observable or unobservable and refer broadly to the assumptions that market participants would use in pricing the asset or liability. Observable inputs reflect the assumptions 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 own assumptions about the assumptions that market participants would use in pricing the asset or liability developed based on the best information available under the circumstances. The Company’s investment in its entirety is assigned a level based upon the inputs which are significant to the overall valuation. The inputs or methodology used for valuing investments are not an indication of the risk associated with investing in those securities. The hierarchy of inputs is summarized below.

Level 1 – unadjusted quoted prices in active markets for identical assets or liabilities including securities actively traded on a securities exchange.

MIDAS SECURITIES GROUP, INC.
(A Wholly-Owned Subsidiary of Winmill & Co. Incorporated)

NOTES TO STATEMENT OF FINANCIAL CONDITION – (Continued)

December 31, 2014

Level 2 – observable inputs other than quoted prices included in level 1 that are observable for the asset or liability which may include quoted prices for similar instruments, interest rates, prepayment speeds, credit risk, yield curves, default rates, and similar data.

Level 3 – unobservable inputs for the asset or liability including the Company’s own assumptions about the assumption a market participant would use in valuing the asset or liability.

The following is a summary of the inputs used as of December 31, 2014 in valuing the Company’s investments:

| | Valuation Input | | | |
|--|---------------------|------------------|-------------|---------------------|
| | Level 1 | Level 2 | Level 3 | Total |
| Common stock of publicly traded-affiliates | \$ 3,843,623 | \$328,532 | \$ - | \$ 4,172,155 |
| Equity securities | <u>7,701</u> | <u>-</u> | <u>-</u> | <u>7,701</u> |
| | <u>\$ 3,851,324</u> | <u>\$328,532</u> | <u>\$ -</u> | <u>\$ 4,179,856</u> |

There were no transfers between Level 1 and Level 2 during the year ended December 31, 2014.

The carrying amounts of cash and cash equivalents, receivables, and accounts payable and accrued expenses approximate fair value because of the short maturity of these items.

DISTRIBUTION SERVICES

Costs in connection with the sale of the Funds’ shares are charged to operations as incurred. Pursuant to a distribution plan (“12b-1 Plan”) adopted pursuant to Rule 12b-1 of the Investment Company Act of 1940, as amended (“1940 Act”), by the Trust on behalf of the Funds and a Distribution Agreement with the Trust, the Company may receive as compensation distribution and service fees ranging in an amount of one-quarter of one percent to one percent per annum of the Funds’ average daily net assets. The service fee portion is intended to cover personal services provided to shareholders of the Funds and the maintenance of shareholder accounts. The distribution fee portion is to cover all other activities and expenses primarily intended to result in the sale of the Funds’ shares.

INCOME TAXES

The Company files consolidated federal, state and local income tax returns with Winco and the other wholly owned subsidiaries of Winco. It is the policy of Winco to allocate the applicable federal and state taxes (benefits) to each subsidiary on a separate return basis.

The Company recognizes deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the financial reporting basis and tax basis of assets and liabilities. The Company has reviewed its tax positions and has concluded that no liability for unrecognized tax benefits should be recorded related to uncertain tax positions taken on federal, state and local income tax returns for open tax years (2011-2013) or expected to be taken in the Company’s 2014 tax return.

SUBSEQUENT EVENTS

Subsequent events after the Statement of Financial Condition date through the date that the financial statement was available for issuance, February 23, 2015, have been evaluated in the preparation of the financial statement.

MIDAS SECURITIES GROUP, INC.
(A Wholly-Owned Subsidiary of Winmill & Co. Incorporated)

NOTES TO STATEMENT OF FINANCIAL CONDITION— (Continued)

December 31, 2014

(2) INVESTMENTS

At December 31, 2014 investments consisted of the following:

| | <u>Cost</u> | <u>Fair Value</u> |
|--|--------------------|---------------------|
| Common stock of publicly traded affiliates: | | |
| Bexil Corporation | \$1,988,723 | \$ 2,649,464 |
| Tuxis Corporation | 2,431,212 | 328,532 |
| Foxby Corp. | <u>1,469,791</u> | <u>1,194,159</u> |
| Total common stock of publicly traded affiliates | 5,889,726 | 4,172,155 |
| Equity Securities | <u>6,681</u> | <u>7,701</u> |
| Total investments | <u>\$5,896,407</u> | <u>\$ 4,179,856</u> |

Certain officers and directors of the Company also serve as officers and or directors of Bexil Corporation (“Bexil”), Tuxis Corporation (“Tuxis”), and Foxby Corp. (“Foxby”). The investments in Bexil, Tuxis, and Foxby represent approximately 23%, 20%, and 24% of the outstanding shares of each company, respectively.

(3) INCOME TAXES

Deferred tax liabilities are comprised of the following:

| | |
|---------------------------------|-------------------|
| Unrealized gains on investments | \$ 703,786 |
| Net operating loss | <u>2,312</u> |
| | <u>\$ 706,098</u> |

(4) NET CAPITAL AND REGULATORY REQUIREMENTS

The Company is subject to the Uniform Net Capital Rule under Rule 15c3-1 of the Exchange Act. The Company must maintain net capital, as defined, of not less than \$5,000 or 6-2/3% of aggregate indebtedness, whichever is greater, and a ratio of aggregate indebtedness to net capital, as defined, of not more than 15 to 1.

At December 31, 2014, the Company had net capital, as defined, of \$556,478, which exceeded its net capital requirement of \$5,000 by \$551,478. The ratio of aggregate indebtedness to net capital was approximately 0.09 to 1.

(5) RELATED PARTIES

Certain officers of the Company also serve as officers and/or directors of Winco, Bexil, Tuxis, and Self Storage Group, Inc., and their affiliates (collectively with Winco, the “Affiliates”). Pursuant to an arrangement between a professional employer organization (“PEO”) and the Affiliates, the PEO provides payroll, benefits, compliance, and related services for the concurrently employed employees of the Affiliates in accordance with applicable rules and regulations of the Internal Revenue Service, and in connection therewith MMC, a subsidiary of Winco, acts as a conduit payer of compensation and benefits to Affiliate employees.

MIDAS SECURITIES GROUP, INC.
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NOTES TO STATEMENT OF FINANCIAL CONDITION – (Continued)

December 31, 2014

Rent expense of jointly used office space and overhead expenses for various jointly used administrative and support functions jointly incurred by the Affiliates are allocated among them. As of December 31, 2014, the Company had a payable of \$1,341 and \$429 to MMC and Winco, respectively, for expenses paid on its behalf.

The Company had receivables for distribution fees from the Funds of \$ \$17,541 at December 31, 2014.

The Company has agreements with selected dealers for distribution of shares of the Funds, service, and record keeping. The cost of record keeping paid to dealers by the Company is reimbursed by the Funds. At December 31, 2014, the Company had a receivable from the Funds for record keeping of \$3,413.
