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SECURIT ON

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

| OMB APPROVAL | |
|---|----------------|
| OMB Number: | 3235-0123 |
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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 01/01/14 AND ENDING 12/31/14
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Executive Services Securities, LLC

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)
3445 Peachtree Road, NE, Suite 200

| OFFICIAL USE ONLY |
|-------------------|
| FIRM I.D. NO. |

(No. and Street)
Atlanta GA 30326
(City) (State) (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT
Kenneth Felts - 404-504-3817
(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Warren Averett, LLC

(Name - if individual, state last, first, middle name)
Six Concourse Parkway, Suite 600 Atlanta GA 30328
(Address) (City) (State) (Zip Code)

CHECK ONE:

- Certified Public Accountant
- Public Accountant
- Accountant not resident in United States or any of its possessions.

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|-----------------------|
| |

*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)

3/11/15

OATH OR AFFIRMATION

I, Kenneth L. Felts, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Executive Services Securities, 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:

K Felts
Signature
CFO
Title

Glynda Morris
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).

EXECUTIVE SERVICES SECURITIES, LLC

**FINANCIAL STATEMENTS
AND
SUPPLEMENTAL INFORMATION**

December 31, 2014

with

Independent Auditors' Report

EXECUTIVE SERVICES SECURITIES, LLC

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December 31, 2014

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Member of
Executive Services Securities, LLC

We have audited the accompanying financial statements of Executive Services Securities, LLC (a Georgia corporation), which comprise the statement of financial condition as of December 31, 2014, and the related statement of operations, changes in member's equity, and cash flows for the year then ended that are filed pursuant to Rule 17a-5 under the Securities Exchange Act of 1934, and the related notes to the financial statements and supplemental information. Executive Services Securities, LLC's management is responsible for these financial statements. 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. The company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial condition of Executive Services Securities, LLC 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 of America.

The Schedule I, Computation of Net Capital Under Rule 15c3-1 and Schedule II, Other Information have been subjected to audit procedures performed in conjunction with the audit of Executive Services Securities, LLC's financial statements. The supplemental information is the responsibility of Executive Services Securities, LLC'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 Rule 17a-5 of the Securities Exchange Act of 1934. In our opinion, the supplemental information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Warren Averett, LLC

Atlanta, GA
February 19, 2015

EXECUTIVE SERVICES SECURITIES, LLC

STATEMENT OF FINANCIAL CONDITION

December 31, 2014

| ASSETS | |
|--|--------------------------|
| Current Assets | |
| Cash | \$ 202,501 |
| Commissions receivable | 465,927 |
| Prepaid expenses | <u>23,897</u> |
| TOTAL ASSETS | <u>\$ 692,325</u> |
| LIABILITIES AND MEMBER'S EQUITY | |
| Current Liabilities | |
| Accounts payable | \$ 123,873 |
| Due to affiliates | <u>7,959</u> |
| TOTAL CURRENT LIABILITIES | 131,832 |
| Member's Equity (Note C) | <u>560,493</u> |
| TOTAL LIABILITIES AND MEMBER'S EQUITY | <u>\$ 692,325</u> |

See accompanying notes.

EXECUTIVE SERVICES SECURITIES, LLC

STATEMENT OF OPERATIONS

For the Year Ended December 31, 2014

| | |
|--------------------------------------|-------------------------|
| Revenue | |
| Commissions | \$ 3,823,638 |
| Commission Expense | |
| Commission expense to outside agents | <u>751,209</u> |
| NET REVENUE | 3,072,429 |
| Operating Expenses (Note B) | |
| Personnel expense | 1,350,598 |
| Marketing and travel expense | 48,491 |
| Technology expense | 103,855 |
| Occupancy expense | 106,257 |
| General and administrative expenses | <u>1,419,760</u> |
| TOTAL OPERATING EXPENSES | <u>3,028,961</u> |
| Net Income | <u><u>\$ 43,468</u></u> |

See accompanying notes.

EXECUTIVE SERVICES SECURITIES, LLC
STATEMENT OF CHANGES IN MEMBER'S EQUITY

For the Year Ended December 31, 2014

| | |
|-----------------------------------|--------------------------|
| Balance, December 31, 2013 | \$ 517,025 |
| Net income | <u>43,468</u> |
| Balance, December 31, 2014 | <u><u>\$ 560,493</u></u> |

See accompanying notes.

EXECUTIVE SERVICES SECURITIES, LLC

STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2014

| | |
|---|------------------------------|
| Cash Flows from Operating Activities | |
| Net Income | \$ 43,468 |
| Adjustments to reconcile net income to net cash provided by operating activities | |
| Increase in: | |
| Commissions receivable | (46,048) |
| Prepaid expenses | (855) |
| Increase in: | |
| Accounts payable | <u>3,436</u> |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | <u>1</u> |
| NET INCREASE IN CASH | 1 |
| Cash at Beginning of Year | <u>202,500</u> |
| Cash at End of Year | <u><u>\$ 202,501</u></u> |

See accompanying notes.

EXECUTIVE SERVICES SECURITIES, LLC

NOTES TO FINANCIAL STATEMENTS

December 31, 2014

NOTE A—DESCRIPTION OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General Organization and Business: Executive Services Securities, Inc. (the “Company”) was incorporated in Georgia on July 26, 1989. The Company is a registered broker-dealer under the Securities Exchange Act of 1934. The Company specializes in the design, funding, and administration of life insurance plans which meet the needs of nonqualified executive benefit programs of Fortune 500 corporations. The Company was formerly known as One Securities Corporation and changed its name to Executive Services Securities, Inc. on October 9, 2007.

The Company is wholly owned by National Financial Partners Corp. (“NFP” or “Parent”).

Effective October 23, 2008 the Company changed its legal form to a limited liability company and its name to Executive Services Securities, LLC (“ESSL”).

Basis of Accounting: The Company prepares its financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Concentrations of Credit Risk: The Company occasionally maintains balances with the bank in excess of federally insured limits. Management believes that the risk of loss related to such deposits is minimal.

Two customers represented approximately 57% of the Company’s revenues for the year ended December 31, 2014.

Revenue Recognition: Commission revenue and expense are recorded when the related insurance premium is paid in accordance with guidance provided in SEC Staff Accounting Bulletin (SAB) Topic 13. Management does not believe that a chargeback allowance is necessary based on the Company’s history of contract cancellations and the nature of their business.

Income Taxes: Effective October 23, 2008 the Company’s legal form changed to a limited liability company. As a result of this change, the Company is not subject to federal and state income taxes beginning October 23, 2008. The Company’s income or loss is reported on the member’s tax return. Therefore, no income tax provision is included in the accompanying financial statements.

EXECUTIVE SERVICES SECURITIES, LLC

NOTES TO FINANCIAL STATEMENTS

December 31, 2014

NOTE A—DESCRIPTION OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Continued

Management does not believe there are any uncertain tax positions as defined by Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 740, *Income Taxes*. The Company could be subject to income tax examinations for its U.S. federal income taxes for the current tax year and previous filings for tax years 2013, 2012 and 2011 still open under the statute of limitations.

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Fair Values of Financial Instruments: Financial instruments, principally receivables and accounts payable, are reported at values which the Company believes are not significantly different from fair values. The Company believes no significant credit risk exists with respect to any of its financial instruments.

Subsequent Events: The Company has evaluated events and transactions that occurred between December 31, 2014 and February 19, 2015, which is the date the financial statements were available to be issued, for possible recognition or disclosure in the financial statements.

NOTE B—RELATED PARTY TRANSACTIONS

The Company has a consulting agreement with an affiliated company under which the affiliated company provides ESSL marketing and general and administrative services and ESSL pays a base amount of compensation to the affiliate. The base amount is \$102,500 per month. In addition, the agreement provides for ESSL to pay additional compensation for expenses (personnel, marketing, technology, insurance, additional occupancy and administrative expenses) that may be reasonably incurred by the affiliate on behalf of ESSL. The agreement includes a compensation cap that provides that the aggregate of the compensation expenses owed shall not exceed ESSL's net revenue as defined as gross commissions less overrides, distributions and payment of commissions owed to ESSL's registered representatives.

The total amount paid under these agreements for the year ended December 31, 2014 was \$2,992,894.

EXECUTIVE SERVICES SECURITIES, LLC

NOTES TO FINANCIAL STATEMENTS

December 31, 2014

NOTE C—NET CAPITAL REQUIREMENT

The Company, as a registered broker-dealer in securities, is subject to the Securities and Exchange Commission Uniform Net Capital Rule (Rule 15c3-1). The Company has elected to operate under that portion of the Rule which requires that the Company maintain “net capital” equal to the greater of \$5,000 or $6\frac{2}{3}\%$ of “aggregate indebtedness,” as those terms are defined in the Rule. At December 31, 2014, the Company had net capital of \$536,596, which was \$463,881 in excess of required net capital.

SUPPLEMENTAL INFORMATION

EXECUTIVE SERVICES SECURITIES, LLC
COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1

Schedule I

December 31, 2014

Computation of Net Capital

| | |
|-----------------------------|-------------------|
| Total member's equity | \$ 560,493 |
| Deduct non-allowable assets | |
| Prepaid expenses | (23,897) |
| Disallowed receivables | <u>(0)</u> |
| Net capital | <u>\$ 536,596</u> |

Computation of Aggregate Indebtedness

| | |
|------------------------------|-------------------|
| Accounts payable | \$ 123,873 |
| Due to affiliates | <u>7,959</u> |
| Total aggregate indebtedness | <u>\$ 131,832</u> |

Computation of Minimum Net Capital Requirement

| | |
|---|-------------------|
| Net capital | \$ 536,596 |
| Minimum net capital to be maintained (greater of \$5,000 or 6 ² / ₃ % of total aggregate indebtedness of \$131,832) | <u>8,789</u> |
| Net capital in excess of requirement | <u>\$ 527,807</u> |
| Percentage of aggregate indebtedness to net capital | <u>24.57%</u> |

Pursuant to Rule 17a-5(d)(4), no material differences were noted from the Company's computation; therefore, a reconciliation is not considered necessary

EXECUTIVE SERVICES SECURITIES, LLC

Schedule II

OTHER INFORMATION

December 31, 2014

The following statements and computations are not applicable at December 31, 2014, and for the year then ended and, accordingly, are not included herein:

- a) Statement of changes in liabilities subordinated to claims of creditors.
- b) Computation for determination of the reserve requirements pursuant to Rule 15c3-3.
- c) Information relating to the possession or control requirements under Rule 15c3-3.
- d) Schedules of segregation requirements and funds in segregation pursuant to the Commodity Exchange Act.

The Company qualifies for exemption of b) and c) above under subparagraph (k)(2)(i) of Rule 15c3-3.