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

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

SEC FILE NUMBER  
8-68977 ✓

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 January 1, 2015 AND ENDING December 31, 2015  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: Summit Securities Group, LLC  
ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)  
55 Broadway, Suite 2102,

OFFICIAL USE ONLY  
FIRM I.D. NO.

(No. and Street)  
New York NY 10006  
(City) (State) (Zip Code)

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

Jared Malbin 646-738-4066 (Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*

Lerner & Sipkin, CPA's LLP  
(Name - if individual, state last, first, middle name)  
132 Nassau Street, Suite 1023 New York NY 10006  
(Address) (City) (State) (Zip Code)

CHECK ONE:

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

SEC  
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Section  
MAR 01 2016  
Washington DC  
411

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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)

DD AG

✓

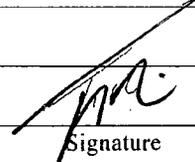
OATH OR AFFIRMATION

I, Jared Malbin, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Summit Securities Group, LLC, as of Decemeber 31, 20 15, 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:

NONE

  
Notary Public

**CAROLINA GARCIA**  
Notary Public - State of New York  
No. 01GA6210604  
Qualified in New York County  
My Commission Expires Aug. 24, 2017

  
Signature  
\_\_\_\_\_  
Chief Executive Officer  
Title

2/29/14

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).

**Summit Securities Group, LLC**  
**Statement of Financial Condition**  
**December 31, 2015**

**Assets**

|  |                       |
|--|-----------------------|
| Cash and cash equivalents                  | \$ 1,246,856          |
| Financial instruments owned, at fair value | 273,996,999           |
| Receivable from clearing brokers           | 1,367,342             |
| Dividend receivable                        | 216,000               |
| Exchange memberships                       | 5,251,000             |
| Total assets                               | <u>\$ 282,078,197</u> |

**Liabilities and Members' Equity**

|  |                    |
|--|--------------------|
| Financial instruments sold, not yet purchased, at fair value | \$ 132,385,880     |
| Payable to clearing brokers                                  | 117,539,574        |
| Accounts payable and accrued liabilities                     | 3,854,247          |
| Total liabilities  | <u>253,779,701</u> |

Commitments and contingent liabilities (note 6)

Subordinated borrowings (note 8)

|                                       |                       |
|---------------------------------------|-----------------------|
| Members' equity                       | <u>28,298,496</u>     |
| Total liabilities and members' equity | <u>\$ 282,078,197</u> |

See accompanying notes and report of independent registered public accounting firm.

**Note 1.**

**Organization and Description of Business**

Summit Securities Group, LLC (Company or firm) is a proprietary trading firm and broker-dealer registered with the Securities and Exchange Commission (SEC). Founded in 2011 as a Delaware limited liability company, the firm is headquartered in New York and maintains memberships at the following principal United States (U.S.) self-regulatory organizations and exchanges, and eight other exchanges:

- Chicago Board Options Exchange
- New York Stock Exchange
- NASDAQ Stock Market

The Company has established several clearing arrangements with clearing brokers and does not execute or clear securities transactions for customers. Accordingly, the Company is exempt from SEC Rule 15c3-3 pertaining to the possession or control of customer assets and reserve requirements.

**Note 2.**

**Basis of Presentation**

Summit Securities Group, LLC is a wholly owned subsidiary of Summit Capital Holdings, LLC (Holding Company). These unconsolidated financial statements are prepared in accordance with accounting principles generally accepted in the U.S. (GAAP) and do not include the accounts of the Holding Company.

**Note 3.**

**Significant Accounting Policies**

**Cash and Cash Equivalents**

Cash consists of commercial bank demand deposits which may exceed the limits of federal deposit insurance coverage. The Company has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash. The Company considers all demand deposits held in banks and certain highly liquid investments with original maturities of three months or less, other than those held for sale in the ordinary course of business, to be cash or cash equivalents.

**Market Making and Trading Activities**

Financial instruments owned and Financial instruments sold, not yet purchased include securities and derivative instruments related to market making and trading activities. Financial instruments transactions are recorded on a trade-date basis, carried at fair value in

accordance with FASB ASC 820, and trading gains and losses and unrealized gains and losses are reflected in trading revenue.

**Fair Value of Financial Instruments**

FASB ASC 820 defines fair value as the exit price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Company values its financial instruments using a hierarchy of fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs when measuring fair value.

The fair value hierarchy can be summarized as follows:

- Level 1      quoted prices in active markets for identical assets and liabilities that the company has the ability to access. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these instruments 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.

See Note 5 *Financial Instruments Owned and Sold Short* for a description of valuation methodologies applied to the classes of financial instruments at fair value. Substantially all of the Company's financial instruments are carried at fair value based on unadjusted quoted prices in active markets for identical assets or liabilities meeting the Level 1 valuation criteria.

**Income Taxes**

The Company has elected to be treated as a pass-through entity for income tax purposes and files informational income tax returns in various jurisdictions. Accordingly, there is no provision for income taxes recorded in the accompanying financial statements. State franchise tax fees are immaterial and not separately stated in the statement of operations.

**Use of Estimates**

The preparation of financial statements in conformity with GAAP may require management to make estimates and assumptions that affect the reported amounts of certain types of assets and liabilities and disclosure of contingent assets and liabilities at the reporting date. Actual results may differ from estimated amounts.

**Note 4.**

**Financial Instruments Owned and Sold Short**

The Company's financial instruments recorded at fair value have been categorized based upon a fair value hierarchy in accordance with accounting standards as described in note 3: Significant Accounting Policies.

Securities owned and sold short consist of trading and investment securities reported at fair values, as follows:

|                         | <u>Instruments Owned</u> | <u>Instruments Sold Short</u> |
|-------------------------|--------------------------|-------------------------------|
| Equities                | \$247,044,721            | 7,692,149                     |
| Option Contracts        | 2,352,009                | 101,066,719                   |
| Fixed Income Securities | <u>24,600,269</u>        | <u>23,627,012</u>             |
| Total                   | <u>\$273,996,999</u>     | <u>\$132,385,880</u>          |

All financial instruments owned and sold short are considered to be valued using Level 1 inputs. The Company has agreements with clearing brokers under which the Company pledges securities owned and receivables from clearing brokers as collateral for securities sold short, open futures transactions and margin borrowings.

**Note 5.**

**Members' Equity**

The Company's operating agreement provides that the managing member has sole authority to carry out management responsibilities and control day-to-day management of the Company's operations, including distributions and admittance of new members. The entrepreneurial members have no voting rights and do not participate in management of the Company. Entrepreneurial members are traders that have control over their trading accounts in accordance with their agreements. These members have sub-accounts and are responsible for the profits and losses of their respective trading accounts. All assets of the Company are maintained in a pooled non-segregated environment where there is cross-risk among capital accounts of all members. The managing member may restrict, halt or terminate an entrepreneurial member's trading activities at any time or for any reason. As a limited liability company, each member's liability is limited to amounts reflected in their respective capital account.

**Note 6.**

**Commitments**

**Office Leases**

The Company rents office space in New York pursuant to a lease agreement expiring September 5, 2025. Rental Payments are payable monthly. The Company's minimum rental commitments over the life of the lease are as follows:

|                    |             |
|--------------------|-------------|
| <b>2016:</b>       | \$305,171   |
| <b>2017:</b>       | \$305,171   |
| <b>2018:</b>       | \$305,171   |
| <b>2019:</b>       | \$309,500   |
| <b>2020:</b>       | \$331,143   |
| <b>Thereafter:</b> | \$1,545,334 |

The Company also rents office space in Chicago on a month to month basis at \$2,050 per month.

**Note 7.**

**Financial Instruments and Off-Balance-Sheet Risk**

The Company has sold securities that it does not currently own and will therefore be obligated to purchase such securities at a future date. The Company has recorded these obligations in the financial statements at December 31, 2015 at fair value of the related securities and will incur a loss if the fair value of the securities increases subsequent to December 31, 2015. At December 31, 2015, the Company had also borrowed securities and pledged securities against these borrowed securities. In connection with its proprietary market making and trading activities, the Company enters into transactions in a variety of securities and derivative financial instruments, primarily exchange-traded equity options, futures contracts, and options on futures contracts. Options held provide the Company with the opportunity to deliver or take delivery of specified financial instruments at a contractual price. Options written obligate the Company to deliver or take delivery of specified financial instruments at a contractual price in the event the option is exercised by the holder. Futures contracts provide for the delayed delivery or purchase of financial instruments at a specified future date at a specified price or yield. The majority of the Company's transactions with off-balance sheet risk are short-term in duration.

**Credit Risk**

Credit risk arises from the potential inability of counterparties to perform in accordance with the terms of the contract. The Company's exposure to credit risk associated with counterparty nonperformance is limited to the current cost to replace all contracts in which the Company has a gain. Exchange-traded derivative financial instruments, such as options, futures, and options

on futures, generally do not give rise to significant counterparty exposure due to the cash settlement procedures for daily market movements or the margin requirements of the individual exchanges and clearing brokers.

The Company clears its trades through clearing brokers. In the event these entities do not fulfill their obligations, the Company may be exposed to risk. This risk of default depends on the creditworthiness of these entities. The Company attempts to minimize this credit risk by monitoring the creditworthiness of these entities.

**Note 8.**

#### **Related Party Transactions**

The Company maintains a consulting and service agreement with White Bay Technologies, LLC ("WBT") for technology infrastructure and support. WBT is under common control with the Company through Summit Capital Holdings, LLC which is the parent for both WBT and Company. At December 31, 2015, Company had paid \$3,629,211 for services rendered by WBT in 2015.

**Note 9.**

#### **Net Capital Requirements**

The Company is subject to the SEC Uniform Net Capital Rule (SEA Rule 15c3-1), which requires the maintenance of minimum net capital and the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 1500%. At December 31, 2015, the Company had net capital of \$22,904,768 which was \$21,904,768 in excess of its required net capital of \$1,000,000.

The Company's ratio of aggregate indebtedness to net capital was .17 at December 31, 2015.



**LERNER & SIPKIN**  
CERTIFIED PUBLIC ACCOUNTANTS LLP

132 Nassau Street, New York, NY 10038 Tel 212.571.0064 / Fax 212.571.0074

Jay Lerner, C.P.A.  
jlerner@lernerstipkin.com

Joseph G. Sipkin, C.P.A.  
jsipkin@lernerstipkin.com

To the Members of  
Summit Securities Group, LLC  
55 Broadway, 21<sup>st</sup> floor  
New York, NY 10006

Gentlemen:

We have reviewed management's statements, included in the accompanying Exemption Report, in which (1) Summit Securities Group, LLC identified the following provisions of 17 C.F.R. § 15c3-3(k) under which Summit Securities Group, LLC claimed an exemption from 17 C.F.R. § 240.15c3-3: (2)(ii), (the "exemption provisions) and (2) Summit Securities Group, LLC stated that Summit Securities Group, LLC met the identified exemption provisions throughout the most recent fiscal year without exception. Summit Securities Group, LLC'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 Summit Securities Group, LLC'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 provisions set forth in paragraph (2)(ii) of Rule 15c3-3 under the Securities Exchange Act of 1934.

*Lerner & Sipkin CPAs, LLP*  
Lerner & Sipkin CPAs, LLP  
Certified Public Accountants (NY)

New York, NY  
February 3, 2016

Summit Securities Group, LLC  
Statement of Financial Condition  
SEC # 8-68977  
CRD # 159283  
For the Year Ended December 31, 2015  
With Report of Independent Registered Public Accounting Firm

Filed pursuant to Rule 17a-5(e)(3) under the  
Securities Exchange Act of 1934  
as a PUBLIC DOCUMENT

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