

8/1/16

JG



SI 16021642 DN

SECURITIES AND EXCHANGE COMMISSION RECEIVED AUG 01 2016 REGISTRATIONS BRANCH 15

OMB APPROVAL OMB Number: 3235-0123 Expires: March 31, 2016 Estimated average burden Hours per response . . . 12.00

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

SEC FILE NUMBER 8 - 65585



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 1/1/15 AND ENDING 12/31/15 MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER DEALER: Cambridge International Securities, Inc.

PRO SECURITIES LLC

OFFICIAL USE ONLY FIRM ID. NO.

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

109 White Oak Lane Suite 200P

(No. And Street)

Old Bridge (City)

NJ (State)

08857 (Zip Code)

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

JOHN PAUL DEVITO

(973) 368-9094 (Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report *

Fulvio & Associates, L.L.P. (Name - if individual state last, first, middle name)

5 West 37th Street 4th Floor (Address)

NY (City)

NY (State)

10018 (Zip Code)

CHECK ONE:

- [X] Certified Public Accountant [] Public Accountant [] Accountant not resident in United States or any of it possessions.

PUBLIC

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 basis for the exemption. See section 240.17a-5(e)(2)

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

OATH OR AFFIRMATION

I, JOHN PAUL DEVITO, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of PRO SECURITIES LLC, as of December 31, 2015 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:

Three horizontal lines for listing exceptions.

ALLISON POON
Notary Public, State of New York
No. 01PO6301036
Qualified in New York County
Commission Expires April 14, 2018

Handwritten signature of Allison Poon over a horizontal line, with 'Notary Public' printed below.

Handwritten signature of Allison Poon over a horizontal line.

Signature

FINOP

Title

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

- Checkboxes (a) through (o) with descriptions: (a) Facing page, (b) Statement of Financial Condition, (c) Statement of Income (Loss), (d) Statement of change in Financial Condition, (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietor's 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 or 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 previous audit, (o) Supplemental Independent Auditor's Report on Internal Accounting Control.

**For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

PRO SECURITIES, LLC
STATEMENT OF FINANCIAL CONDITION
DECEMBER 31, 2015

ASSETS

Cash	\$ 10,766
Due from broker	25,565
Commissions receivable	30,000
Other assets	<u>362</u>
 TOTAL ASSETS	 <u>\$ 66,693</u>

LIABILITIES AND MEMBER'S EQUITY

Liabilities:

Accrued expenses and other liabilities	\$ <u>15,200</u>
 TOTAL LIABILITIES	 15,200
 Member's equity	 <u>51,493</u>
 TOTAL LIABILITIES AND MEMBER'S EQUITY	 <u>\$ 66,693</u>

The accompanying notes are an integral part of this financial statement.

PRO SECURITIES, LLC
NOTES TO FINANCIAL STATEMENT
DECEMBER 31, 2015

NOTE 1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Pro Securities, LLC (the “Company”) is a broker-dealer registered with the Securities and Exchange Commission (“SEC”) and is a member of the Financial Industry Regulatory Authority (“FINRA”) and the Securities Investor Protection Corporation (“SIPC”). The Company is an SEC and FINRA approved Alternative Trading System (“ATS”). During the calendar year 2015 the Company had limited trading activity (matching orders) in the after-hours session.

Revenue Recognition

Securities transactions (and the related agency commission revenue and expenses) are recorded on a trade date basis.

Use of 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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Taxes

No provision for federal and state income taxes has been made for the Company, as it is a limited liability company and is not subject to income taxes. The Company’s income or loss is reportable by its members on their tax returns.

The Company recognizes and measures its unrecognized tax benefits in accordance with ASC Topic 740, *Income Taxes*. Under that guidance the Company assesses the likelihood, based on the facts, circumstances and information available at the end of the period. The measurement of unrecognized tax benefits is adjusted at the end of the period. The measurement of unrecognized tax benefits is adjusted when new information is available, or when an event occurs that requires a change.

The Company has determined that there are no uncertain tax positions which require adjustment or disclosure on the financial statements. The tax years that remain subject to examination by taxing authorities are 2014, 2013 and 2012.

PRO SECURITIES, LLC
NOTES TO FINANCIAL STATEMENT
DECEMBER 31, 2015
(continued)

NOTE 2. FAIR VALUE MEASUREMENTS

FASB ASC 820 defines fair value, establishes a framework for measuring fair value, and establishes a fair value hierarchy which prioritizes the inputs to valuation techniques. Fair value is the 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. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability, or in the absence of a principal market, the most advantageous market. Valuation techniques that are consistent with the market, income or cost approach, as specified by FASB ASC 820, are used to measure fair value.

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities the Company have the ability to access.

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 are unobservable inputs for the asset or liability and rely on management's own assumptions about the assumptions that market participants would use in pricing the asset or liability. The unobservable inputs should be developed based on the best information available in the circumstances and may include the Company's own data.

FASB ASC 820, *Fair Value Measurement* has no material effect on these financial statements.

NOTE 3. NET CAPITAL REQUIREMENTS

The Company is subject to the SEC Uniform Net Capital Rule (SEC Rule 15c3-1), which requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1 (and the rule of the 'applicable' exchange also provides that equity capital may not be withdrawn or cash dividends paid if the resulting net capital ratio would exceed 10 to 1). At December 31, 2015, the Company had net capital of \$36,131, which was \$31,131 in excess of its required net capital of \$5,000. The Company's net capital ratio was 0.42 to 1.

PRO SECURITIES, LLC
NOTES TO FINANCIAL STATEMENT
DECEMBER 31, 2015
(continued)

NOTE 4. RELATED PARTY AND AFFILIATED TRANSACTIONS

The Company's only client is SpeedRoute, LLC, an entity related by common ownership whose total volume of ATS matched trades for 2015 was 1,023,400 shares. For the year ended December 31, 2015, the Company earned commissions income of \$180,000 from SpeedRoute, LLC.

During the latter part of the Fourth Quarter of 2014, the public company Overstock.com (SYM:OSTK) purchased 24.9% of the Company. On December 28th, 2015, pursuant to Rule 1017, FINRA approved the sale of the remainder of the Company to Medici, Inc., a subsidiary of Overstock.com. The financial component of the transaction closed on January 28, 2016.

NOTE 5. GUARANTEES

FASB ASC 460, Guarantees, requires the Company to disclose information about its obligations under certain guarantee arrangements. FASB ASC 460 defines guarantees as contracts and indemnification agreements that contingently require a guarantor to make payments to the guaranteed party based on changes in an underlying factor (such as an interest or foreign exchange rate, security or commodity price, an index or the occurrence or nonoccurrence of a specified event) related to an asset, liability, or equity security of a guaranteed party. This guidance also defines guarantees as contracts that contingently require the guarantor to make payments to the guaranteed party based on another entity's failure to perform under an agreement, as well as indirect guarantees of the indebtedness of others.

The Company has issued no guarantees effective at December 31, 2015 or during the year then ended.

NOTE 6. COMMITMENTS AND CONTINGENT LIABILITIES

The Company had no lease or equipment rental commitments, no underwriting commitments, no contingent liabilities, and had not been named as defendant in any lawsuit at December 31, 2015 or during the year then ended.

NOTE 7. SUBSEQUENT EVENTS

Subsequent events have been evaluated and no events have been identified which require disclosure except as noted in NOTE 4.