



**Tradeworx Securities LLC**  
**(A wholly owned subsidiary of Thesys Technologies LLC)**  
**TABLE OF CONTENTS**

---

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

- Independent Auditors' Report.
- Facing Page.
- Statement of Financial Condition.
- Statement of Operations.
- Statement of Changes in Member's Equity.
- Statement of Cash Flows.
- Statement of Changes in Liabilities Subordinated to Claims of General Creditors (not applicable).
  
- Computation of Net Capital for Brokers and Dealers Pursuant to Rule 15c3-1 under the Securities Exchange Act of 1934.
- Computation for Determination of Reserve Requirements for Brokers and Dealers Pursuant to Rule 15c3-3 under the Securities Exchange Act of 1934.
- Information Relating to the Possession or Control Requirements for Brokers and Dealers Pursuant to Rule 15c3-3 under the Securities Exchange Act of 1934 (not applicable).
- A Reconciliation, including appropriate explanations, of the Computation of Net Capital Pursuant to Rule 15c3-1 (included with item (g)) and the Computation for Determination of Reserve Requirements Under Rule 15c3-3 (included in item (g)).
- A Reconciliation Between the Audited and Unaudited Statements of Financial Condition With Respect to Methods of Consolidation (not applicable).
- An Affirmation.
- A copy of the SIPC Supplemental Report.
- A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit (Supplemental Report on Internal Control).
- Report of Independent Registered Public Accounting Firm regarding Rule 15c3-3 exemption report.
- Management Statement Regarding Compliance with the Exemption Provisions for SEC Rule 15c3-3

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

**AFFIRMATION**

I, Christopher Ray, affirm that, to the best of my knowledge and belief, the accompanying statement of financial condition pertaining to Tradeworx Securities LLC at December 31, 2016, is true and correct. I further affirm that neither the Company nor any officer or director has any proprietary interest in any account classified solely as that of a customer.

  
\_\_\_\_\_  
Signature

\_\_\_\_\_  
President  
Title

Subscribed and sworn  
to before me 2/27/17

  
\_\_\_\_\_  
Signature

SHEENA SANCHEZ  
NOTARY PUBLIC-STATE OF NEW YORK  
No. 01SA6309218  
Qualified in Bronx County  
My Commission Expires August 04, 2018



**Tradeworx Securities LLC**  
**(A wholly owned subsidiary of Thesys Technologies LLC)**  
**Index**  
**December 31, 2016**

---

	Page(s)
<b>Report of Independent Registered Public Accounting Firm</b> .....	1
<b>Financial Statements</b>	
Statement of Financial Condition .....	2
Notes to Financial Statement .....	3-4



AUDIT TAX ADVISORY

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Member  
Tradeworx Securities LLC

We have audited the accompanying statement of financial condition of Tradeworx Securities LLC (the "Company"), as of December 31, 2016. This financial statement is the responsibility of the Company's management. Our responsibility is to express an opinion on this financial statement 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. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. 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 audit provides a reasonable basis for our opinion.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial condition of Tradeworx Securities LLC as of December 31, 2016, in accordance with accounting principles generally accepted in the United States of America.

*WithumSmith+Brown, PC*

February 20, 2017

**Tradeworx Securities LLC**  
(A wholly owned subsidiary of Thesys Technologies LLC)

**Statement of Financial Condition**  
**December 31, 2016**

---

<b>Assets</b>	
Cash	\$ 350,186
Receivable from broker	112,089
Due from affiliate	30,000
Other assets	<u>1,761</u>
Total assets	<u>\$ 494,036</u>
<b>Liabilities and Member's Equity</b>	
Liabilities - accounts payable and accrued expenses	\$ 67,265
Member's equity	<u>426,771</u>
Total liabilities and member's equity	<u>\$ 494,036</u>

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

**Tradeworx Securities LLC**  
(A wholly owned subsidiary of Thesys Technologies LLC)

**Notes to Statement of Financial Condition**  
**December 31, 2016**

---

**1. Organization and Business**

Tradeworx Securities, LLC (the “Company”), a wholly owned subsidiary of Thesys Technologies LLC (the “Parent”), is a limited liability company. The Company is a broker-dealer registered with the Securities and Exchange Commission (the “SEC”) and is a member of the Financial Industry Regulatory Authority (“FINRA”).

The Company’s operations consist primarily of developing a fee based trading platform to be utilized by third party broker dealers.

**2. Summary of Significant Accounting Policies**

**Basis of Presentation**

This financial statement was prepared in conformity with accounting principles generally accepted in the United States of America which 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 amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

**Cash**

All cash deposits are held by one financial institution and therefore are subject to the credit risk at that financial institution. The Company has not experienced any losses in such accounts and does not believe there to be any significant credit risk with respect to these deposits.

**Income Taxes**

The Company is a single member limited liability company, and is treated as a disregarded entity for federal income tax reporting purposes. The Internal Revenue Code (“IRC”) provides that any income or loss is passed through to the ultimate beneficial individual member for federal, state and certain local income taxes. Accordingly, the Company has not provided for federal and state income taxes.

At December 31, 2016, management has determined that the Company had no uncertain tax positions that would require financial statement recognition. This determination will always be subject to ongoing reevaluation as facts and circumstances may require.

**3. Transactions with related parties**

The Company maintains an administrative services agreement with its Parent whereby the Parent is to provide office space, administrative support, utilities and communications. The Company was charged \$8,676 for the year ended December 31, 2016.

Additionally, the Company licenses the technology for the trading platform pursuant to a license and support agreement with an affiliate. For the year ended December 31, 2016, the Company incurred \$360,000 under the licensing and support agreement.

The Company was also reimbursed by an affiliate for certain consulting and compliance fees which totaled \$84,000 for the year ended December 31, 2016.

**Tradeworx Securities LLC**  
(A wholly owned subsidiary of Thesys Technologies LLC)

**Notes to Statement of Financial Condition**  
**December 31, 2016**

---

The Company entered into a written agreement with its affiliate, Tradeworx LUSP LLC (“LUSP”), effective June 30, 2015 where it has discretion to engage in equity trading activities on LUSP’s behalf. The Company will also provide LUSP with use of its trading software and maintain and provide the books and records of such transactions. LUSP will pay the Company an advisory fee of \$100 per month, payable in advance. This fee has been waived for the duration of the contract. It will be renewed automatically for one year periods.

The Company also has an oral agreement with its affiliate, Tradeworx Inc. (“Tradeworx”) that Tradeworx will reimburse the Company for regulatory costs that are in the form of fines by FINRA. The receivable from affiliate is a result of such regulatory fines currently levied upon the Company. The Company is currently in legal discussions with FINRA over additional fines that may be levied related to trade reporting, the outcome of which is uncertain and the amount of the fine uncertain. The potential range of loss is between \$30,000 and \$250,000. The Company does not believe it will have a material effect on the financial statements.

The terms of this arrangement may not be the same as those that would otherwise exist or result from agreements and transactions among unrelated parties.

**4. Regulatory Requirements**

The Company is subject to the SEC Uniform Net Capital Rule 15c3-1 under the Securities Exchange Act of 1934, 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. At December 31, 2016, the Company had net capital of \$282,921 which exceeded the required net capital by \$277,921.

The Company does not handle cash or securities on behalf of customers. Accordingly, it is not affected by SEC Rule 15c3-3.

SEC  
Mail Processing  
Section

FEB 28 2017

Washington DC  
415

# **Tradeworx Securities LLC**

(A wholly owned subsidiary of Thesys Technologies LLC)

**Statement of Financial Condition**

**Pursuant to Rule 17a-5 under the**

**Securities Exchange Act of 1934**

**December 31, 2016**