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ANNUAL AUDITED REPORT
~~FORM X-17A-5~~ Section
PART III FEB 28 2017

SEC FILE NUMBER
8-67288

FACING PAGE Washington DC

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 01/01/2016 AND ENDING 12/31/2016
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: **LCS Securities, LLC**

OFFICIAL USE ONLY
FIRM I.D. NO.

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

595 Madison Avenue, 17th Floor

(No. and Street)

New York

New York

10022

(City)

(State)

(Zip Code)

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

Mr. Raymond Ottusch

212-259-0800

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

EisnerAmper LLP

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

750 Third Avenue

New York

New York

10017

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

Certified Public Accountant

Public Accountant

Accountant not resident 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)

SEC 1410 (06-02)

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BS

OATH OR AFFIRMATION

I, Raymond Ottusch, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of LCS Securities, LLC, as

of December 31, 2016, 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:

Ray Ottusch

Signature

CCO/FINOP

Title

Anthony M. Robb
Notary Public

ANTHONY M. ROBB
Notary Public, State of New York
Registration #01RO6329422
Qualified In Kings County
Commission Expires Aug. 24, 2019

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.
A copy of LCS Securities, LLC Exemption report

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

LCS SECURITIES, LLC

STATEMENT OF FINANCIAL CONDITION

DECEMBER 31, 2016

LCS SECURITIES, LLC

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Member of
LCS Securities, LLC

We have audited the accompanying statement of financial condition of LCS Securities, LLC (the "Company"), a wholly-owned subsidiary of Levin Capital Strategies, L.P., 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 statement is 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 statement of financial condition referred to above presents fairly, in all material respects, the financial position of LCS Securities, LLC as of December 31, 2016, in conformity with accounting principles generally accepted in the United States of America.

A handwritten signature in cursive script that reads "EisnerAmper LLP".

New York, New York
February 24, 2017

LCS SECURITIES, LLC

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

ASSETS

Cash and cash equivalents	\$ 523,316
Receivable from clearing broker	256,363
Other assets	<u>17,550</u>
	<u>\$ 797,229</u>

LIABILITIES

Accrued expenses and other liabilities	\$ 48,850
Due to Parent	<u>36,425</u>
	85,275

MEMBER'S EQUITY

	<u>711,954</u>
	<u>\$ 797,229</u>

LCS SECURITIES, LLC

Statement of Financial Condition

December 31, 2016

NOTE A - ORGANIZATION

LCS Securities, LLC (the "Company") was formed as a limited liability company on January 26, 2006 (date of incorporation) under the laws of the State of New York. As of April 4, 2006, the Company was registered as a broker-dealer under the Securities Exchange Act of 1934 and began trading operations on May 10, 2006. The Company generates commissions by introducing customer securities transactions to a third-party clearing broker-dealer whereby that broker-dealer clears transactions for the Company's customers on a fully disclosed basis. Accordingly, the Company does not carry customers' accounts and operates under the exemptive provisions of SEC Rule 15c3-3(k)(2)(ii). The Company is a wholly-owned subsidiary of Levin Capital Strategies, L.P. ("LCSLP" or "Parent") and is a member of the Financial Industry Regulatory Authority. The Company's operations are funded through contributions from LCSLP.

NOTE B - SIGNIFICANT ACCOUNTING POLICIES

[1] Cash and cash equivalents:

The Company considers money market funds to be cash equivalents. The Company maintains cash and cash equivalents in bank accounts at one major financial institution which, at times, may exceed federally insured limits.

[2] Revenue recognition:

Brokerage commissions earned from securities transactions and related expenses are recorded on a settlement date basis because the difference between the trade date and settlement date is not considered material.

Interest income is recorded on the accrual basis.

[3] Income taxes:

Tax laws are complex and subject to different interpretations by the taxpayer and taxing authorities. Significant judgment is required when evaluating tax positions and related uncertainties. Future events such as changes in tax legislation could require a provision for income taxes. Any such changes could significantly affect the amounts reported in the member's equity.

The Company is a single member LLC wholly-owned by LCSLP and is a disregarded entity for federal, state and city income tax purposes. As such, the Company's income or losses are included in LCSLP's tax returns for the year ended December 31, 2016.

[4] 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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statement. Actual results could differ from those estimates.

[5] Financial instruments:

The fair value of the Company's assets and liabilities, which qualify as financial instruments, approximates the carrying amounts presented in the statement of financial condition. Investments in money market funds and amounts due from clearing broker are carried at cost, which approximates fair value.

LCS SECURITIES, LLC

Statement of Financial Condition

December 31, 2016

NOTE C - RECEIVABLE FROM CLEARING BROKER

The Company acts as an introducing broker. All transactions for its customers are cleared through a major U.S. securities firm on a fully disclosed basis. At December 31, 2016, the receivable from clearing broker represents cash deposited with the broker and the net commissions receivable earned as an introducing broker for its customers' transactions. The Company has agreed to indemnify its clearing broker for losses that it may sustain from the customer accounts introduced by the Company. In the ordinary course of its business, however, the Company does not accept orders with respect to client accounts if the funds required, or sufficient marginable securities, for the client to meet its obligations are not on deposit in the client account at the time the order is placed.

In the event of the broker's insolvency, recovery of assets may be limited to account insurance or other protection.

NOTE D - NET CAPITAL REQUIREMENT

The Company is subject to the Securities and Exchange Commission's Uniform Net Capital Rule (Rule 15c3-1). The Company uses the alternative method, as permitted under the rule, which requires the maintenance of minimum net capital of \$250,000. At December 31, 2016, the Company had net capital, as defined, of \$694,404, which was \$444,404 in excess of its required minimum net capital.

The Company is exempt from the provisions of Rule 15c3-3 per paragraph (k)(2)(ii).

NOTE E - RELATED PARTY TRANSACTIONS

The Company has an expense sharing agreement with LCSLP whereby the Company is charged for its respective share of expenses, including, but not limited to, employee services, office space, equipment, administrative support and communication expenses. The charge is based upon a method which allocates expenses in amounts generally commensurate with LCSLP's support of the operation of the Company. The agreement may be terminated by either party upon 30 days' notice.

Substantially all clearing broker commission revenues are earned by the Company from certain investment advisory accounts of LCSLP. The Company relies upon LCSLP's financial capacity to fund operations. There is no guarantee that LCSLP will continue to have the financial capacity to fund the Company's operations. LCSLP has evaluated the Company's ability to meet its obligations over the next year. As a result of its assessment, it is anticipated that to the extent necessary LCSLP will continue to provide funding to the Company during 2017.

NOTE F - MEMBER'S EQUITY AND NON-CASH TRANSACTIONS

In April 2016, August 2016 and December 2016, LCSLP contributed \$300,000, \$300,000 and \$190,000, respectively, to the Company, which was settled through a reduction in the amount due to LCSLP and as contributions to member's equity.

LCS SECURITIES, LLC

595 MADISON AVENUE

17TH FLOOR

NEW YORK, NY 10022

(212) 259-0800

FAX (212) 259-0859

February 27, 2017

Securities and Exchange Commission
Office of Filings and Information Systems
100 F Street N.E.
Washington DC, 20549

SEC
Mail Processing
Section

FEB 28 2017
Washington DC
416

Dear Sir or Madam:

Please find the enclosed two (2) confidential and one (1) public annual audit reports for LCS Securities LLC (CRD # 140147) that was recently completed by our outside auditor, EisnerAmper LLP. If you should have any questions, please feel free to contact the undersigned at (212) 259-0856.

Sincerely,



Raymond Ottusch
Chief Compliance Officer/FINOP
LCS Securities LLC