



SEI  
Mail Proc  
Section

17008889

MISSION

OMB APPROVAL
OMB Number: 3235-0123
Expires: May 31, 2017
Estimated average burden hours per response . . . 12.00

MAR 01 2017 ANNUAL AUDITED REPORT  
FORM X-17A-5

SEC FILE NUMBER
8-52964

Washington DC  
416

PART III  
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 01/01/16 AND ENDING 12/31/16  
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER - DEALER:

P.A.N. Securities, LP

OFFICIAL USE ONLY
FIRM ID. NO.

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

233 Broadway, 24<sup>th</sup> Floor  
(No. and Street)

New York NY 10279  
(City) (State) (Zip Code)

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

Howard Spindel (212) 897-1688  
(Area Code - Telephone No.)

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 NY 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 (3-91)

Handwritten signature

Handwritten initials

**P.A.N. Securities, LP**  
**Statement of Financial Condition**

**December 31, 2016**

## P.A.N. Securities, LP

---

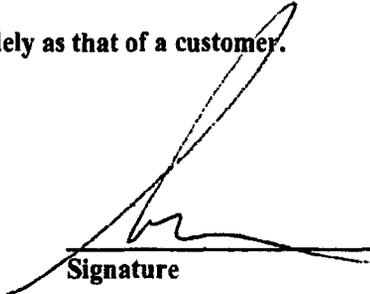
**This report \*\* contains (check all applicable boxes):**

- Report of Independent Registered Public Accounting Firm.
- Facing Page.
- Statement of Financial Condition.
- Statement of Operations.
- Statement of Changes in Partner'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.
- Report of Independent Registered Public Accounting Firm Regarding Rule 15c3-3 Exemption Report.
- Statement of Exemption from Rule 15c3-3.

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

**AFFIRMATION**

I, Scott DePetris, affirm that, to the best of my knowledge and belief, the accompanying statement of financial condition pertaining to P.A.N. Securities, LP for the year ended December 31, 2016, is true and correct. I further affirm that neither the Partnership nor any officer or director has any proprietary interest in any account classified solely as that of a customer.



---

Signature

**Chief Executive Officer**

---

Title



---

Notary Public

**NICHOLAS R SERAFINI**  
Notary Public, State of New York  
Registration #01SE0342321  
Qualified In New York County  
Commission Expires 3/23/20

**P.A.N. Securities, LP**  
**Table of Contents**  
**December 31, 2016**

---

	Page(s)
<b>Report of Independent Registered Public Accounting Firm.....</b>	<b>1</b>
<b>Financial Statement</b>	
Statement of Financial Condition .....	2
Notes to Financial Statement.....	3-5



EisnerAmper LLP  
750 Third Avenue  
New York, NY 10017-2703  
T 212.949.8700  
F 212.891.4100  
[www.eisneramper.com](http://www.eisneramper.com)

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To P.A.N. Securities, LP

We have audited the accompanying statement of financial condition of P.A.N. Securities, LP (the "Partnership") as of December 31, 2016. This financial statement is the responsibility of the Partnership'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 P.A.N. Securities, LP as of December 31, 2016, in conformity with accounting principles generally accepted in the United States of America.

*EisnerAmper LLP*

New York, New York  
February 27, 2017

## **P.A.N. Securities, LP**

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

---

<b>Assets</b>	
Cash	\$ 1,548,927
Accounts receivable	2,910,888
Other assets	<u>16,437</u>
Total assets	<u>\$ 4,476,252</u>
 <b>Liabilities and Partner's Equity</b>	
Accrued expenses	\$ 42,936
Due to related party	<u>154,031</u>
Total liabilities	196,967
Partner's equity	<u>4,279,285</u>
Total liabilities and partner's equity	<u>\$ 4,476,252</u>

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

# **P.A.N. Securities, LP**

## **Notes to Financial Statement December 31, 2016**

---

### **1. Nature of Operations**

P.A.N. Securities, LP (the "Partnership"), a wholly-owned subsidiary of Portware, LLC (the "Parent" or "Portware"), is a limited partnership whose operations consist of providing access to trade routing software to broker-dealers and their customers. The Partnership's customers consist solely of registered broker-dealers. FactSet Research Systems, Inc., a leading provider of integrated financial information and analytical applications to the global investment community owns all membership interests of the Parent.

The Partnership is a broker-dealer registered with the Securities and Exchange Commission ("SEC") and is a member of the Financial Industry Regulatory Authority ("FINRA").

### **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 ("GAAP") 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 statement. Actual results could differ from these estimates.

#### **Revenue Recognition**

The Partnership's revenue is primarily derived from providing access, maintenance and professional services ("AMPS") to the broker-dealer community for ongoing integration of their offerings from a licensing agreement with Portware. The Partnership uses contracts as evidence of an arrangement for AMPS.

AMPS revenues are recognized when the broker's offering is successfully integrated into a version for a specific client of Portware. Fixed AMPS fees are charged on a monthly basis and recognized as earned each month.

Transactional based AMPS revenues are calculated based on the number of shares transacted during a given month. Revenues are recognized in the month that the transactions are completed however, in circumstances where the monthly and annual fees are in excess of agreed upon thresholds, revenues are annualized and recognized pro rata on a monthly basis throughout the term of the contract.

#### **Accounts Receivable and Allowance for Doubtful Accounts**

The Partnership considers all accounts receivable at December 31, 2016 to be collectible and no allowance for doubtful accounts is deemed necessary.

#### **Fair Value of Financial Instruments**

At December 31, 2016, the carrying value of the Company's financial instruments, such as accounts receivable, approximate fair value due to the nature of their short term maturities.

# **P.A.N. Securities, LP**

## **Notes to Financial Statement December 31, 2016**

---

### **2. Summary of Significant Accounting Policies (continued)**

#### **Income Taxes**

The Partnership is a disregarded entity for tax purposes and is not subject to federal and state income taxes. The Partnership's income is included in the taxable income of the taxable entity that beneficially owns the Partnership. The entity which beneficially owns the Partnership is responsible for taxes on its share of the Partnership's taxable income. New York City Unincorporated Business Tax on the statement of operations is based upon the Partnership's proportionate share of its parent's tax expense computed as if the Partnership was a standalone entity.

The determination of the Partnership's provision for income taxes requires significant judgment, the use of estimates, and the interpretation and application of complex tax laws. Significant judgment is required in assessing the timing and amounts of deductible and taxable items, and the probability of sustaining uncertain tax positions. The benefits of uncertain tax positions are recorded in the Partnership's financial statements only after determining a more-likely-than-not probability that the uncertain tax positions will withstand challenge, if any, from tax authorities. When facts and circumstances change, the Partnership reassesses these probabilities and records any changes in the financial statements as appropriate.

The Partnership is required to determine whether a tax position is more likely than not to be sustained upon examination by the applicable taxing authority, including resolution of any related appeals or litigation processes, based on the technical merits of the position. The tax benefit to be recognized is measured as the largest amount of benefit that is greater than fifty percent likely of being realized upon ultimate settlement. De-recognition of a tax benefit previously recognized could result in the Partnership recording a tax liability that would reduce partner's equity. The Partnership recognizes interest accrued and penalties related to unrecognized tax benefits as a component of income tax expense, if assessed. At December 31, 2016 management has determined that the Partnership had no uncertain tax positions that would require financial statement recognition, therefore, no interest expense or penalties have been recognized for the year ended December 31, 2016.

### **3. Transactions with related parties**

The Partnership rents office space from its Parent under an expense sharing agreement which expires in May 2017, and which is expected to be extended, for \$7,000 per month.

The Partnership's Parent provides administrative services under an expense sharing agreement, including payroll-related, management and consulting services, which expires in May 2017, which is expected to be extended, for approximately \$105,000 per month.

# **P.A.N. Securities, LP**

## **Notes to Financial Statement December 31, 2016**

---

### **4. Regulatory Requirements**

The Partnership, as a member of FINRA, is subject to the Securities and Exchange Commission Uniform Net Capital Rule 15c3-1. This rule requires the maintenance of minimum net capital and that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1 and 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, 2016, the Partnership's net capital was approximately \$1,352,000, which was approximately \$1,339,000 in excess of its computed minimum capital requirement of approximately \$13,000.

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

### **5. Concentrations**

The Partnership maintains its cash balances in one financial institution, but does not consider itself at risk in this regard. The Partnership is subject to credit risk to the extent any financial institution with which it conducts business is unable to fulfill contractual obligations on its behalf. Management monitors the financial condition of this financial institution and does not anticipate any losses on these balances.

### **6. Subsequent Events**

The Company distributed \$1,600,000 to its Parent, consisting mainly of profits earned in 2017, in the ordinary course of business.