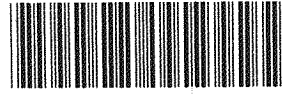


\*PW



10032410

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

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

OMB APPROVAL  
OMB Number: 3235-0123  
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**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 09/1/09 AND ENDING 08/31/10  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: HBW Securities, LLP

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

3355 Cochran Street suite 100

(No. and Street)

Simi Valley

CA

93063

(City)

(State)

(Zip Code)

OFFICIAL USE ONLY  
FIRM I.D. NO.

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

Mike Brown

(404) 303-8840 ext 205

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

Spicer Jeffries LLP

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

5251 S. Quebec Street, Suite 200

Greenwood Village

CO

80111

(Address)

(City)

(State)

(Zip Code)

**CHECK ONE:**

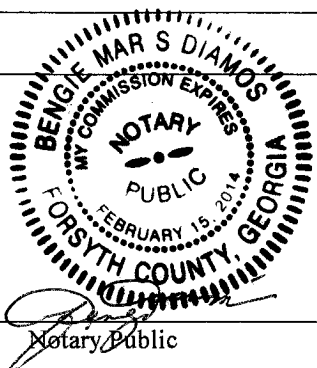
- Certified Public Accountant
- Public Accountant
- Accountant not resident in United States or any of its possessions.

**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)

OATH OR AFFIRMATION

I, Mike Brown, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of HBW Securities. LLP, as of August 31, 20 10, 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:



Michael Brown  
Signature  
Financial Operations Principal  
Title

[Signature]  
Notary Public

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).

**HBW SECURITIES LLC**

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SPICER JEFFRIES LLP

CERTIFIED PUBLIC ACCOUNTANTS

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GREENWOOD VILLAGE, COLORADO 80111

TELEPHONE: (303) 753-1959

FAX: (303) 753-0338

www.spicerjeffries.com

## INDEPENDENT AUDITORS' REPORT

The Members' of  
HBW Securities LLC

We have audited the accompanying statement of financial condition of HBW Securities LLC as of August 31, 2010. 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 auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the balance sheet is free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the balance sheet. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall balance sheet 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 HBW Securities LLC as of August 31, 2010 in conformity with accounting principles generally accepted in the United States of America.

Greenwood Village, Colorado  
October 17, 2009

**HBW SECURITIES LLC**  
**STATEMENT OF FINANCIAL CONDITION**  
**AUGUST 31, 2010**

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**ASSETS**

CASH	\$	219,883
COMMISSIONS RECEIVABLE		209,267
PREPAID EXPENSES		13,814
DEPOSITS		<u>6,458</u>
<i>Total assets</i>	<b>\$</b>	<b><u>449,422</u></b>

**LIABILITIES AND MEMBERS' EQUITY**

**LIABILITIES:**

Commissions payable	\$	186,908
Other payables		<u>7,477</u>
<i>Total liabilities</i>		<u>194,385</u>

**CONTINGENCIES (Note 5)**

**MEMBERS' EQUITY (Notes 2 and 4):**

Class A units, 660,000 units authorized; 442,000 units outstanding		95,534
Class B units, 340,000 units authorized; 149,000 units outstanding		<u>159,503</u>
<i>Total members' equity</i>		<u>255,037</u>
<i>Total liabilities and members' equity</i>	<b>\$</b>	<b><u>449,422</u></b>

The accompanying notes are an integral part of this statement

## HBW SECURITIES LLC

### NOTES TO FINANCIAL STATEMENT

#### **NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

##### **Organization and Business**

HBW Securities LLC (the "Company") was incorporated in California on April 8, 2005 and began operations on January 1, 2006. The Company operates as a securities broker-dealer in mutual funds and variable annuities.

##### **15c3-3 Exemption**

The Company does not hold customer securities or perform custodial functions relating to customer accounts, and therefore is exempt from the possession and control requirements and the reserve requirements of Rule 15c3-3 under 15c3-3(k)(2)(i).

##### **Revenue Recognition**

Revenue associated with mutual fund and variable annuity commissions and the related commission expenses are recognized on an accrual basis.

##### **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 statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

##### **Cash and Cash Equivalents**

For purposes of the statement of cash flows, the Company considers investments with maturities less than three months to be cash equivalents.

##### **Income Taxes**

The Company is a limited liability company and is recognized as a Partnership by the Internal Revenue Service. Accordingly, the Company does not record a provision for income taxes because each member reports their share of the Company's income or loss on their income tax returns.

The Company accounts for uncertain tax positions in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 740-10, *Accounting for Uncertainty in Income Taxes*. FASB ASC Topic 740-10 establishes that a tax position taken or expected to be taken in a tax return is to be recognized in the financial statements when it is more likely than not, based on the technical merits, that the position will be sustained upon examination.

## HBW SECURITIES LLC

### NOTES TO FINANCIAL STATEMENT

(concluded)

#### **NOTE 2 - NET CAPITAL REQUIREMENTS**

Pursuant to the net capital provisions of Rule 15c3-1 of the Securities Exchange Act of 1934, the Company is required to maintain a minimum net capital, as defined under such provisions. At August 31, 2010, the Company had net capital and net capital requirements of \$212,406 and \$12,959, respectively. The Company's net capital ratio (aggregate indebtedness to net capital) was 0.92 to 1. According to Rule 15c3-1 the Company's net capital ratio shall not exceed 15 to 1.

#### **NOTE 3 - RELATED PARTY TRANSACTIONS**

The Company has an administrative services agreement (the "Agreement") with an affiliated company, HBW Insurance and Financial Services, Inc. ("Insurance"). Under the Agreement, the Company pays Insurance a monthly amount based on activity and net income to cover expenses paid by Insurance, such as office space, equipment, telephone, salaries and other operational services. During the year ended August 31, 2010, the Company paid Insurance \$441,488 to cover its portion of expenses paid by Insurance.

#### **NOTE 4 - MEMBERS' EQUITY**

The Company is authorized to issue up to 1,000,000 Units, of which 660,000 are denominated as Class A Units and the remaining amount denominated as either Class B Units or Class C Units as determined by the managers. Class A units are deemed to be the managing units and accordingly, have all the voting rights to make management decisions. Class B and C units are non-voting units.

#### **NOTE 5 - FINANCIAL INSTRUMENTS, OFF-BALANCE SHEET RISKS AND CONTINGENCIES**

The Company's financial instruments, including cash, commissions receivables, deposits, prepaid expenses, commission payable and other payables are carried at amounts that approximate fair value due to their short-term maturities.

#### **NOTE 6 - SUBSEQUENT EVENTS**

The Company has performed an evaluation of subsequent events through the date the financial statements were issued. The evaluation did not result in any subsequent events that required disclosures and/or adjustments.

**HBW SECURITIES, LLC**

**ASSESSMENT RECONCILIATION PURSUANT TO FORM SIPC-7**

**YEAR ENDED AUGUST 31, 2010**





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CERTIFIED PUBLIC ACCOUNTANTS

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FAX: (303) 753-0338

www.spicerjeffries.com

## INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors of  
HBW Securities LLC  
3355 Cochran St., Ste 100  
Simi Valley, CA 93063

Ladies and Gentlemen,

In accordance with Rule 17a-5(e)(4) under the Securities Exchange Act of 1934, we have performed the procedures enumerated below with respect to the accompanying Assessment Reconciliation (Form SIPC-7) to the Securities Investor Protection Corporation (SIPC) for the year ended August 31, 2010, which were agreed to by HBW Securities, LLC and the Securities and Exchange Commission, Financial Industry Regulatory Authority, Inc. and SIPC, solely to assist you and the other specified parties in evaluating HBW Securities, LLC compliance with the applicable instructions of the Assessment Reconciliation (Form SIPC-7). HBW Securities LLC's management is responsible for the HBW Securities LLC's compliance with those requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose. The procedures we performed and our findings are as follows:

1. Compared the listed assessment payments in Form SIPC-7 with respective cash disbursement records entries noting no differences;
2. Compared the amounts reported on the audited Form X-17A-5 (FOCUS Report) for the year ended August 31, 2010, with the amounts reported in Form SIPC-7 for the year ended August 31, 2010 noting no differences;
3. Compared any adjustments reported in Form SIPC-7 with supporting schedules and working papers noting no differences;
4. Proved the arithmetical accuracy of the calculations reflected in Form SIPC-7 and in the related schedules and working papers supporting the adjustments noting no differences; and
5. Compared the amount of any overpayment applied to the current assessment with the Form SIPC-7 on which it was originally computed noting no differences.

We were not engaged to, and did not conduct an examination, the objective of which would be the expression of an opinion on compliance. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the specified parties listed above and is not intended to be and should not be used by anyone other than these specified parties.

*Spicer Jeffries LLP*

Greenwood Village, Colorado  
October 21, 2010

**HBW SECURITIES LLC**

**ASSESSMENT RECONCILIATION  
PURSUANT TO FORM SIPC-7  
AUGUST 31, 2010**

General Assessment per amended form SIPC-7, including interest	\$ 1,050.00
Less payments made with SIPC-4 and SIPC-6	<u>(1,408.00)</u>
Overpayment reported with amended Form SIPC-7	<u>\$ (358.00)</u>

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Washington, DC  
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HBW SECURITIES LLC

STATEMENT OF FINANCIAL CONDITION

AUGUST 31, 2010



SPICER JEFFRIES LLP  
CERTIFIED PUBLIC ACCOUNTANTS

**HBW SECURITIES LLC**

**STATEMENT OF FINANCIAL CONDITION**

**AUGUST 31, 2010**

The report is filed in accordance with Rule 17a-5(e)(3) under the Securities Exchange Act of 1934 as a **PUBLIC DOCUMENT**.