

PUBLIC

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

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

SEC FILE NUMBER
8-51390

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 JANUARY 1, 2020 AND ENDING DECEMBER 31, 2020  
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER DEALER: **TRADE-PMR, INC.**

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

**2511 NW 41<sup>ST</sup> STREET**

(No. and Street)

**GAINESVILLE**

(City)

**FL**

(State)

**32606**

(Zip Code)

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

**CHARLES CHRISTENSEN**

**352-332-1938**

(Area Code - Telephone No.)

B. ACCOUNTANT DESIGNATION

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

**OHAB AND COMPANY, PA**

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

**100 E. SYBELIA AVENUE, SUITE 130, MAITLAND**

(Address and City)

**FLORIDA**

(State)

**32751**

(Zip Code)

CHECK ONE:

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

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\*Claims for exemption from the requirement that the annual audit 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).

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SEC 1410 (11-05)

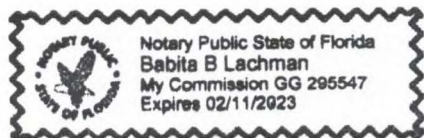
## OATH OR AFFIRMATION

I, CHARLES CHRISTENSEN, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm or TRADE-PMR, INC., as of DECEMBER 31, 2020 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:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_



Babita B Lachman - 3.31.21  
Public Notary

Charles Christensen

Signature

CFO

Title

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

- ☒ (a) Facing page.
- ☒ (b) Statement of Financial Condition.
- ☐ (c) Statement of Income (Loss) or, if there is other comprehensive income in the period(s) presented, a Statement of Comprehensive Income (as defined in §210.1-02 of Regulation S-X).
- ☐ (d) Statement of Changes 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 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).

**TRADE-PMR, INC.**  
**FINANCIAL STATEMENT**  
**DECEMBER 31, 2020**

**TRADE-PMR, INC.**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

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**Ohab and Company, P.A.**

100 E. Sybelia Ave. Suite 130  
Maitland, FL 32751

Certified Public Accountants  
Email: [pam@ohabco.com](mailto:pam@ohabco.com)

Telephone 407-740-7311  
Fax 407-740-6441

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Member's  
of Trade-PMR, Inc.

### Opinion on the Financial Statement

We have audited the accompanying statement of financial condition of Trade-PMR, Inc. as of December 31, 2020, and the related notes (collectively referred to as the "financial statement"). In our opinion, the financial statement presents fairly, in all material respects, the financial position of Trade-PMR, Inc. as of December 31, 2020 in conformity with accounting principles generally accepted in the United States of America.

### Basis for Opinion

This financial statement is the responsibility of Trade-PMR, Inc.'s management. Our responsibility is to express an opinion on Trade-PMR, Inc.'s financial statement based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to Trade-PMR, Inc. in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement, whether due to error or fraud. Our audit included performing procedures to assess the risks of material misstatement of the financial statement, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

*Ohab and Company, P.A.*

We have served as Trade-PMR, Inc.'s auditor since 2011.

Maitland, Florida

March 29, 2021

**TRADE-PMR, INC.**  
**STATEMENT OF FINANCIAL CONDITION**  
**DECEMBER 31, 2020**

**ASSETS**

**Current assets:**

Cash and cash equivalents	\$ 4,628,126
Deposit with clearing broker	104,022
Receivables from clearing broker	775,268
Accounts receivable	304,058
Prepaid expenses and other current assets	677,892
Operating lease ROU assets	159,150
Property and equipment, net of accumulated depreciation of \$315,627	<u>491,412</u>

<b>Total assets</b>	<b><u><u>\$ 7,139,928</u></u></b>
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**LIABILITIES AND STOCKHOLDER'S EQUITY**

**Liabilities:**

Accounts payable and accrued expenses	\$ 646,221
Development credit - due to clearing firm	800,000
Operating lease liability ROU assets	159,150
Deferred tax liability	<u>88,838</u>
<b>Total liabilities</b>	<b><u>1,694,209</u></b>

**Stockholder's equity:**

Common stock, \$.01 par value, 10,000 shares authorized 1,656 shares issued and outstanding	17
Additional paid-in capital	739,188
Retained earnings (deficit)	<u>4,706,514</u>
<b>Total stockholder's equity</b>	<b><u>5,445,719</u></b>

<b>Total liabilities and stockholder's equity</b>	<b><u><u>\$ 7,139,928</u></u></b>
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*The accompanying notes are an integral part of these financial statements.*

**TRADE-PMR, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

**1. ORGANIZATION AND NATURE OF BUSINESS**

**Basis of Presentation** - Trade-PMR, Inc. (the “Company”) is a wholly-owned subsidiary of Trade-PMR Group, Inc. (the “Parent”) and is headquartered in Gainesville, Florida. The U.S. dollar (\$) is the functional currency of the Company.

**Nature of Operations** - The Company is a securities broker-dealer registered with the Securities and Exchange Commission (“SEC”) and is a member of the Financial Industry Regulatory Authority, Inc. (“FINRA”). The Company is required to comply with all applicable rules and regulations of the Securities and Exchange Commission (“SEC”), the Financial Industry Regulatory Authority, Inc. (“FINRA”), and the various securities exchanges in which it maintains membership. The Company is an introducing broker-dealer and clears its trades through First Clearing LLC (the “Clearing Broker”). The Company provides a trading platform to independent investment advisors and also earns interest rebates on customer accounts.

The Company was incorporated on October 30, 1998, in the State of Florida.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Cash and Cash equivalents** - Cash equivalents are short-term, liquid investments with an original maturity of three months or less.

**Fair Value of Financial Instruments** - Cash, commissions receivable, accounts payable and accrued expenses are recorded in the financial statements at cost, which approximates fair value because of the short-term maturity of those instruments.

**Due from clearing broker** - Due from clearing broker represents commissions and other monies due the Company from the Clearing Broker. An allowance for doubtful accounts is not recorded since the Clearing Broker adjusts accounts monthly to actual results and the Company uses specific write-off.

**Property and Equipment** - Property and equipment are recorded at cost. Ordinary repairs and maintenance are charged to expense as incurred. Depreciation is recorded for property and equipment using the straight-line method over the estimated useful lives of the assets, which range from three to seven years.

**Revenue recognition** - The Company buys and sells securities on behalf of its’ customers. Each time a customer enters into a buy or sell transaction, the Company charges a commission. Commissions and related clearing expenses are recorded on the trade date (the date that the Company fills the trade order by finding and contracting with a counterparty and confirms the trade with the customer). The Company believes that the performance obligation is satisfied on the trade date because that is when the underlying financial instrument or purchaser is identified, the pricing is agreed upon and the risks and rewards of ownership have been transferred to/from the customer. Commissions and fees are reported net of clearing costs. Interest rebate income, which is the net interest earned on cash held in customer accounts, and other income are recognized monthly on an as earned basis, which is when the Company believes its’ performance obligation has been satisfied.

Commissions from the sale of mutual funds and variable annuities and 12b-1’s are recognized as revenue at the point in time the associated services is fulfilled which is based on the trade date.



**TRADE-PMR, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

*Income taxes* - The Company is included in the consolidated tax return filed by Trade-PMR, Inc. Income taxes are calculated as if the Company filed on a separate basis, and the amount of current tax or refund receivable is either remitted to or received from Trade-PMR, Inc. .

The Company evaluates all significant tax positions as required by accounting principles generally accepted in the United States of America. As of December 31, 2020, the Company does not believe that it has taken any positions that would require the recording of any additional tax liability nor does it believe that there are any unrealized tax benefits that would either increase or decrease within the next year. It is the Company's policy to recognize any interest and penalties in the provision for taxes.

The federal and state income tax returns of the Company for 2019, 2018, and 2017 are subject to examination by the IRS and state taxing authorities, generally for three years after they were filed.

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

**3. RELATED PARTY TRANSACTIONS**

On January 1, 2014, the Company entered into a month to month real property operating lease agreement ("Agreement") with Trade-PMR Parkview, LLC, a related party. The parties mutually agreed that this lease supersedes all prior leases. During 2020 the company paid rents of \$7,000 per month for a total of \$84,000.

On June 1, 2014, the Company entered into a Management Services Agreement with its parent company Trade-PMR Group, Inc. The agreement may be terminated by either party. During the year, the Company paid a total of \$466,000 under this agreement.

Total payments under these agreements to both related parties totaled \$550,000 during the year which is recorded in the parent company expense on the Statement of Income. Due to the COVID-19 virus the Parent Company cancelled the annual conference and no sponsorship fees were paid.



**TRADE-PMR, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

**4. PROPERTY AND EQUIPMENT**

Property and equipment are comprised of the following at December 31, 2020:

Computers	\$ 318,997
Art	\$ 17,636
Leasehold improvements	\$ 338,260
Office furniture	<u>\$ 132,146</u>
	\$ 807,039
Less: accumulated depreciation	<u>\$ 315,627</u>
	<u><u>\$ 491,412</u></u>

Depreciation expense for the year ended December 31, 2020 was \$102,240.

**5. INCOME TAXES**

The company files a corporate income tax return which consolidates the net income for all related parties. In accordance with GAAP, allocation of the consolidated income tax expense is necessary when separate financial statements are prepared for the affiliates. As a result, the Company uses a method that allocates current and deferred taxes to members of the consolidated group by applying the liability method to each member as if it were a separate taxpayer.

The components of the income tax provision are shown below:

Federal Income Tax Expense	\$ 18,052
State Income Tax Expense	<u>17,331</u>
Provision for income taxes	<u><u>\$ 35,383</u></u>

The amount of deferred taxes payable is recognized as of the date of the financial statements, utilizing current tax laws and rates. Deferred tax expenses or benefits are recognized in the financial statements for the changes in deferred tax liabilities or assets between years. At, December 31, 2020, the Company's deferred tax liability between the treatment of tax and book related assets and liabilities was \$88,838.

**6. FINANCIAL INSTRUMENTS WITH OFF-BALANCE-SHEET RISK AND  
CONCENTRATION OF CREDIT RISK**

The Company's customer securities activities are transacted on either a cash or margin basis. In margin transactions, the Company's Clearing Broker extends credit to the customer, subject to various regulatory and internal margin requirements, collateralized by cash and securities in the customer's account. As a result of guaranteeing customer margin balances carried by the Clearing Broker, the Company may be exposed to off-balance sheet risk in the event margin requirements are not sufficient to fully cover losses the customer may incur. At, December 31, 2020, margin accounts guaranteed by the Company were not material.

**TRADE-PMR, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

**6. FINANCIAL INSTRUMENTS WITH OFF-BALANCE-SHEET RISK AND  
CONCENTRATION OF CREDIT RISK (continued)**

The Company is also exposed to off-balance sheet risk of loss on transactions during the period from the trade date to the settlement date, which is generally three business days. If the customer fails to satisfy its contractual obligations to the Clearing Broker, the Company may have to purchase or sell financial instruments at prevailing market prices in order to fulfill the customer's obligations. Settlement of these transactions is not expected to have a material effect on the Company's financial position. The Company seeks to control the risks associated with its customer activities by requiring customers to maintain margin collateral in compliance with various regulatory and the Clearing Broker's guidelines. The Company monitors required margin levels daily and, pursuant to such guidelines, requires customers to deposit additional collateral, or to reduce positions, when necessary.

The Company maintains cash and other deposits with banks and brokers, and, at times, such deposits exceed applicable insurance limits. The Company reduces its exposure to credit risk by maintaining such deposits with high quality financial institutions.

**7. NET CAPITAL REQUIREMENTS**

The Company is subject to the Securities and Exchange Commission uniform net capital rule (rule 15c3-1), which requires the maintenance of minimal net capital requirement and requires the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1. As of December 31, 2020, the Company had net capital of \$3,972,357 which was \$3,870,020 in excess of its required net capital of \$102,337. The Company had a ratio of aggregate indebtedness to net capital of 38.64% based on an aggregated indebtedness of \$1,535,059 at December 31, 2020.

**8. COMMITMENTS AND CONTINGENCIES**

As of December 31, 2020, the Company had no unresolved arbitration claims or legal actions.

There are no open FINRA examinations.

**9. RETIREMENT PLAN**

The Company sponsors a 401 (k) profit sharing plan ("Plan") that covers eligible employees. Beginning in 2015 the Plan was amended for the Company to make matching contributions up to 5% of eligible employee voluntary salary deferrals.

The Plan provides for contributions to eligible employees based on total compensation. The plan also provides for voluntary salary deferrals for eligible employees. The Company's matching contributions made to the Plan for the year ended December 31, 2020 were \$238,280.

**TRADE-PMR, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

**10. ADVERTISING COST**

The Company expenses the cost of advertising as incurred.

**11. REBATES AND OTHER FEES**

In 2020 the Company revised its Referral and Pilot Agreement with First Clearing to service, fee only advisors. As part of the agreement First Clearing agreed to pay a monthly support fee of \$50,000 to offset any additional cost incurred by the Company.

For the year ended December 31, 2020 the Company received \$575,000 as a business transition support fee.

**12. PAYCHECK PROTECTION PROGRAM**

In 2020 the Company participated in the Federal Paycheck Protection Program administered by the Small Business Administration. During the year the company received loans totaling \$1,075,500. This loan was forgiven along with interest in the amount of \$6,977. A total of \$1,082,477 is included in other income for the year. The Internal Revenue Service has concluded that this item of income is nontaxable.

**13. SUBSEQUENT EVENTS**

In accordance with the *Subsequent Events* Topic of the FASB Accounting Standards Codification No. 855 ("FASB ASC 855"), the Company has evaluated those events and transactions that occurred from January 1, 2021 through March 29, 2021, the date the financial statements were available to be issued. No material events or transactions have occurred during this period which would render these financial statements to be misleading.