

**INTE SECURITIES LLC**

**STATEMENT OF FINANCIAL CONDITION**

**JUNE 30, 2021**

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

<b>OMB APPROVAL</b>
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**ANNUAL AUDITED REPORT  
FORM X-17A-5  
PART III  
FACING PAGE**

<b>SEC FILE NUMBER</b>
8-51667

**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 07/01/20 AND ENDING 6/30/21  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER - DEALER:

INTE Securities LLC

<b>OFFICIAL USE ONLY</b>
<b>FIRM ID. NO.</b>

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

7000 West Palmetto Park Road  
(No. and Street)

Boca Raton FL 33433  
(City) (State) (Zip Code)

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

Fredric Obsbaum (212) 897-1694  
(Area Code - Telephone No.)

**B. ACCOUNTANT IDENTIFICATION**

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

YSL & Associates LLC  
(Name - if individual, state last, first, middle name)

11 Broadway, Suite 700 New York NY 10004  
(Address) (City) (State) (Zip Code)

**CHECK ONE:**

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

<b>FOR OFFICIAL USE ONLY</b>

*\*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)*

# INTE SECURITIES LLC

## Index

June 30, 2021

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

- ☒ Independent Auditors' Report.
- ☒ Facing Page.
- ☒ Statement of Financial Condition.
- ☒ Footnotes.
- ☐ Statement of Operations.
- ☐ Statement of Changes in Members' Equity.
- ☐ Statement of Cash Flows.
- ☐ Statement of Changes in Liabilities Subordinated to Claims of General Creditors.
- ☐ 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.
- ☒ An Affirmation.
- ☐ 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).
- ☐ Independent Auditors' Report Regarding Rule 15c3-3 exemption
- ☐ Rule 15c3-3 Exemption Report

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

# AFFIRMATION

I, Fredric Obsbaum, affirm that, to the best of my knowledge and belief, the accompanying statement of financial condition pertaining to INTE Securities LLC for the year ended June 30, 2021, 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.

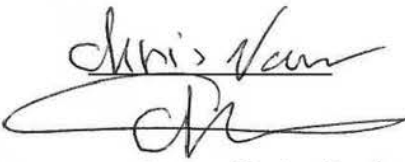


Signature

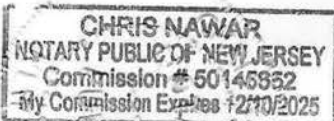
General Securities Principal

Title

Subscribed and sworn  
to before me



9-21-21







# YSL & Associates LLC

Certified Public Accountants

Member of Parker Randall International

11 Broadway, Suite 700, New York, NY 10004

Tel: (212) 232-0122 Fax: (646) 218-4682

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Members of  
INTE Securities LLC

### Opinion on the Financial Statement

We have audited the accompanying statement of financial condition of INTE Securities LLC (the "Company") as of June 30, 2021, 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 the Company as of June 30, 2021 in conformity with accounting principles generally accepted in the United States of America.

### Basis for Opinion

This financial statement is the responsibility of the Company's management. Our responsibility is to express an opinion on the Company'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 the Company 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.

*YSL & Associates LLC*

We have served as INTE Securities LLC's auditor since 2015.

New York, NY

September 22, 2021

**INTE SECURITIES LLC****STATEMENT OF FINANCIAL CONDITION****June 30, 2021**

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**ASSETS**

Cash	\$ 606,501
Fees receivable	4,542,796
Prepaid expenses	33,806
Other assets	<u>1,843</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 5,184,946</u></b>

**LIABILITIES AND EQUITY****Liabilities**

Subordinated liabilities	\$ 3,868,660
Accounts payable, accrued expenses and other liabilities	<u>170,935</u>
Total liabilities	<u>4,039,595</u>

**Equity**

Members' equity	<u>1,145,351</u>
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<b>TOTAL LIABILITIES AND EQUITY</b>	<b><u>\$ 5,184,946</u></b>
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The accompanying notes are an integral part of this statement of financial condition.

# INTE SECURITIES LLC

## NOTES TO STATEMENT OF FINANCIAL CONDITION

June 30, 2021

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### 1. Nature of Operations

INTE Securities LLC (“INTE”) is a broker-dealer registered with the Securities and Exchange Commission (“SEC”) and is a member of the Financial Industry Regulatory Authority (“FINRA”). The Company is engaged in the business of private placements and related advisory and investment banking activities and has been approved to participate in underwriting and selling group activities. The Company is also approved to operate in Canada under the International Dealer Exemption in the provinces of British Columbia, Ontario and Quebec.

### 2. Summary of Significant Accounting Policies

#### *Basis of Presentation*

The financial statements are prepared in conformity with accounting principles generally accepted in the United States of America (“US 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 statements and the amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

#### *Revenue Recognition*

The Company recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The guidance requires an entity to follow a five step model to (a) identify the contract(s) with a customer, (b) identify the performance obligations in the contract, (c) determine the transaction price, (d) allocate the transaction price to the performance obligations in the contract, and (e) recognize revenue when (or as) the entity satisfies a performance obligation. In determining the transaction price, an entity may include variable consideration only to the extent that it is probable that a significant reversal in the amount of cumulative revenue recognized would not occur when the uncertainty associated with the variable consideration is resolved.

Revenues from commissions are billed and recognized when private placements are completed and commissions are earned and collectible. Advisory fees are recognized based on the terms of the contracts and are recorded when the services are rendered. The company recognizes revenues from management fees and performance fees as earned based on the contractual agreement and that collectability is reasonably assured. Investment banking revenue is recognized when the fees are earned and collectible.

#### *Significant Judgements*

Revenue from contracts with customers includes commission income and fees from investment banking and asset management services. The recognition and measurement of revenue is based on the assessment of individual contract terms. Significant judgment is required to determine whether performance obligations are satisfied at a point in time or over time; how to allocate transaction prices where multiple performance obligations are identified; when to recognize revenue based on the appropriate measure of the Company’s progress under the contract; and whether constraints on variable consideration should be applied due to uncertain future events.



## INTE SECURITIES LLC

### NOTES TO STATEMENT OF FINANCIAL CONDITION June 30, 2021

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

##### *Income Taxes*

The Company is a limited liability company and is treated as a partnership for income tax reporting purposes. The Internal Revenue Code provides that any income or loss is passed through to the members for federal and state income tax purposes. Accordingly, the Company has not provided a tax provision for federal income taxes. The Company is subject to the New York City Unincorporated Business Tax and California income tax. The Company is on a calendar year for tax reporting purposes.

At June 30, 2021, 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.

##### *Fees Receivable*

Fees receivable are stated at cost less an allowance for credit losses, if any, and represents fees management expects to collect based on each contract. On a periodic basis, the Company evaluates its fees receivable and establishes an allowance for credit losses, based on past history, collections, and current credit conditions. Accounts are written-off as uncollectible once the Company has exhausted its collection means. As of June 30, 2021, there was no allowance for credit losses.

In June 2016, the FASB issued ASU 2016-13, Accounting for Financial Instruments - Credit Losses (Topic 326). ASU 2016-13 requires an organization to measure all expected credit losses for financial assets held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. Under the new standard, the allowance for credit losses must be deducted from the amortized cost of the financial asset to present the net amount expected to be collected. The income statement will reflect the measurement of credit losses for newly recognized financial assets as well as the expected increases or decreases of expected credit losses that have taken place during the period. This provision of the guidance requires a modified retrospective transition method with a cumulative-effect adjustment in retained earnings upon adoption. This guidance became effective for the Company on July 1, 2020, and the Company adopted this guidance on that date which resulted in no adjustment to members' equity.

##### *Subordinated Liabilities*

Commissions are payable to the salespersons only when the related receivables are collected. In addition, any liabilities to salespersons in this regard are subordinated to the claims of general creditors yet they are not considered part of regulatory capital. As of June 30, 2021, INTE owed \$3,868,660 of subordinated liabilities to salespersons.

#### 3. Net Capital Requirement

The Company is a member of FINRA and is subject to the SEC 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 distributions paid if the resulting net capital ratio would exceed 10 to 1. As of June 30, 2021, the Company's net capital was approximately \$435,000 which was approximately \$325,000 in excess of its computed minimum requirement of \$110,000.



## INTE SECURITIES LLC

### NOTES TO STATEMENT OF FINANCIAL CONDITION

June 30, 2021

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#### 4. Rule 15c3-3

The Company does not hold customer funds or securities; therefore, it has no obligation under SEC Rule 15c3-3 to maintain a "Special Reserve Bank Account for the Exclusive Benefit of Customers".

#### 5. Concentrations

##### *Cash*

All cash deposits are held by one financial institution and therefore are subject to the credit risk at that financial institution and may at times exceed amounts insured by the Federal Deposit Insurance Corporation. 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.

##### *Major Revenue Producers*

During the year ended June 30, 2021, approximately \$13,376,000 or 61.56% of the Company's revenues were generated by five (5) separate groups of registered representatives. One of the groups accounted for 18.38% of the total revenues.

#### 6. Related Party Transactions

Integrated Management Solutions USA LLC ("IMS") is an affiliate under common control that provides office space and other expenses to the Company

Since there are significant related party transactions, the results of operations are not necessarily the same as they might have been had such transactions been with unrelated parties.

#### 7. Members' Equity

There were four class members that were entitled to all of the proportionate share of the net income derived from business opportunities that they referred to the Company. During the year ended June 30, 2021, \$6,018,945 was distributed to those members and is reflected in the statement of changes in equity.

#### 8. Contingency

At June 30, 2021, the Company had recorded fees receivable from one customer totaling \$3,560,557. The Company and the customer currently are in a dispute regarding the rate on future tail and follow on fees that could be earned subsequent to the audit date of June 30, 2021. Discussions between the Company and the customer never disputed fees recorded prior to July 1, 2021.

The Company and the customer have entered into non-binding mediation in order to resolve their differences. The Company believes the issues will be resolved in its favor and all fees due as of June 30, 2021, will be paid by the customer, which has a long history of paying fees to the Company as they were earned and invoiced.

Should any portion of the fees become uncollectable, the related liability to the Company's registered representative would be eliminated because that person has an agreement with the Company that only exists when, as and if the Company collects the receivable. In such case, the net negative impact to operating income would be 8% of the uncollected amount. Regulatory net capital of the Company would not be affected in any way should any of the fees become uncollectable.

## **INTE SECURITIES LLC**

### **NOTES TO STATEMENT OF FINANCIAL CONDITION**

**June 30, 2021**

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#### **9. COVID-19**

During the 2020 calendar year, the World Health Organization declared COVID-19 to constitute a “Public Health Emergency of International Concern”. This pandemic has disrupted economic markets and the economic impact, duration and spread of the COVID-19 virus is uncertain at this time. The financial performance of the Company is subject to future developments related to the COVID-19 outbreak and possible government advisories and restrictions placed on the financial markets and business activities. The impact on financial markets and the overall economy, all of which are highly uncertain, cannot be predicted. If the financial markets and/or the overall economy are impacted for an extended period, the Company’s results may be materially affected. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.