

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

ANNUAL REPORTS
FORM X-17A-5
PART III

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Information Required Pursuant to Rules 17a-5, 17a-12, and 18a-7 under the Securities Exchange Act of 1934

FILING FOR THE PERIOD BEGINNING January 1, 2021 AND ENDING December 31, 2021
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF FIRM: J.A.K.Securities Inc.

TYPE OF REGISTRANT (check all applicable boxes):

- ☒ Broker-dealer ☐ Security-based swap dealer ☐ Major security-based swap participant
☐ Check here if respondent is also an OTC derivatives dealer

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use a P.O. box no.)

20 Windward Ct.

(No. and Street)

Collegeville

PA

19426

(City)

(State)

(Zip Code)

PERSON TO CONTACT WITH REGARD TO THIS FILING

James A. Kelly 267-252-3490 jim@jaksecurities.com
(Name) (Area Code - Telephone Number) (Email Address)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose reports are contained in this filing*

Adeptus Partners, LLC

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

733 State Rte 35 N

Ocean

NJ

07712

(Address)

(City)

(State)

(Zip Code)

January 6, 2010

3686

(Date of Registration with PCAOB)(if applicable)

(PCAOB Registration Number, if applicable)


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* Claims for exemption from the requirement that the annual reports be covered by the reports of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis of the exemption. See 17 CFR 240.17a-5(e)(1)(ii), if applicable.

Persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

AFFIRMATION

I, James A. Kelly, swear (or affirm) that, to the best of my knowledge and belief, the financial report pertaining to J.A.K. Securities Inc. as of 12/31/21, is true and correct. I further swear (or affirm) that neither the company nor any partner, officer, director, or equivalent person, as the case may be, has any proprietary interest in any account classified solely as that of a customer.


Signature
President
Title


Notary Public
Commonwealth of Pennsylvania - Notary Seal
LAUREN J QUINONES - Notary Public
Montgomery County
My Commission Expires March 28, 2025
Commission Number 1273020

This filing contains (check all applicable boxes):**

- ☒ (a) Statement of financial condition.
- ☒ (b) Notes to unconsolidated or consolidated statement of financial condition, as applicable.
- ☐ (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 cash flows.
- ☐ (e) Statement of changes in stockholders' or partners' or members' or sole proprietor's equity, as applicable.
- ☐ (f) Statement of changes in liabilities subordinated to claims of creditors.
- ☐ (g) Notes to unconsolidated or consolidated financial statements, as applicable.
- ☐ (h) Computation of net capital under 17 CFR 240.15c3-1 or 17 CFR 240.18a-1, as applicable.
- ☐ (i) Computation of tangible net worth under 17 CFR 240.18a-2.
- ☐ (j) Computation for determination of customer reserve requirements pursuant to Exhibit A to 17 CFR 240.15c3-3.
- ☐ (k) Computation for determination of security-based swap reserve requirements pursuant to Exhibit B to 17 CFR 240.15c3-3 or Exhibit A to 17 CFR 240.18a-4, as applicable.
- ☐ (l) Computation for Determination of PAB Requirements under Exhibit A to § 240.15c3-3.
- ☐ (m) Information relating to possession or control requirements for customers under 17 CFR 240.15c3-3.
- ☐ (n) Information relating to possession or control requirements for security-based swap customers under 17 CFR 240.15c3-3(p)(2) or 17 CFR 240.18a-4, as applicable.
- ☒ (o) Reconciliations, including appropriate explanations, of the FOCUS Report with computation of net capital or tangible net worth under 17 CFR 240.15c3-1, 17 CFR 240.18a-1, or 17 CFR 240.18a-2, as applicable, and the reserve requirements under 17 CFR 240.15c3-3 or 17 CFR 240.18a-4, as applicable, if material differences exist, or a statement that no material differences exist.
- ☐ (p) Summary of financial data for subsidiaries not consolidated in the statement of financial condition.
- ☒ (q) Oath or affirmation in accordance with 17 CFR 240.17a-5, 17 CFR 240.17a-12, or 17 CFR 240.18a-7, as applicable.
- ☐ (r) Compliance report in accordance with 17 CFR 240.17a-5 or 17 CFR 240.18a-7, as applicable.
- ☐ (s) Exemption report in accordance with 17 CFR 240.17a-5 or 17 CFR 240.18a-7, as applicable.
- ☒ (t) Independent public accountant's report based on an examination of the statement of financial condition.
- ☐ (u) Independent public accountant's report based on an examination of the financial report or financial statements under 17 CFR 240.17a-5, 17 CFR 240.18a-7, or 17 CFR 240.17a-12, as applicable.
- ☐ (v) Independent public accountant's report based on an examination of certain statements in the compliance report under 17 CFR 240.17a-5 or 17 CFR 240.18a-7, as applicable.
- ☐ (w) Independent public accountant's report based on a review of the exemption report under 17 CFR 240.17a-5 or 17 CFR 240.18a-7, as applicable.
- ☐ (x) Supplemental reports on applying agreed-upon procedures, in accordance with 17 CFR 240.15c3-1e or 17 CFR 240.17a-12, as applicable.
- ☐ (y) Report describing any material inadequacies found to exist or found to have existed since the date of the previous audit, or a statement that no material inadequacies exist, under 17 CFR 240.17a-12(k).
- ☐ (z) Other: _____

****To request confidential treatment of certain portions of this filing, see 17 CFR 240.17a-5(e)(3) or 17 CFR 240.18a-7(d)(2), as applicable.**



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White Plains, NY 10601
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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholder of J.A.K. Securities, Inc.

Opinion on the Financial Statement

We have audited the accompanying statement of financial condition of J.A.K. Securities, Inc. as of December 31, 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 J.A.K. Securities, Inc. as of December 31, 2021 in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

This financial statement is the responsibility of J.A.K. Securities, Inc.'s management. Our responsibility is to express an opinion on J.A.K. Securities, 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 J.A.K. Securities, 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.

Adeptus Partners, LLC

We have served as Company's auditor since 2021.

Ocean, NJ
May 6, 2022

J.A.K. Securities Corporation

FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

J.A.K Securities Incorporated
Statement of Financial Condition
December 31, 2021

Assets

Cash	\$ 148,918
Due from Clearing Firm	223,233
Accounts Receivable	164,979
Other Assets	<u>1,322</u>
Total Assets	<u>\$ 538,452</u>

Liabilities & Stockholder's Equity

Liabilities:

Accounts Payable and Accrued Expenses	<u>\$ 78,450</u>
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Stockholder's Equity:

Common stock, \$ 1 par value, 1,000 shares authorized, issued and outstanding	1,000
Additional Paid In Capital	256,500
Retained Earnings	<u>202,502</u>
Total Stockholder's Equity	<u>460,002</u>
Total Liabilities and Stockholder's Equity	<u>\$ 538,452</u>

J.A.K. Securities Corporation
Notes to Financial Statements
For the Year Ended December 31, 2021

Note 1 Nature of Business

J.A.K. Securities Inc. (The 'Company') is a PA Corporation, incorporated in May of 1999. The Company is a registered broker dealer with the Securities Exchange Commission (SEC) and is a member of NASDAQ OMX PHLX (PHLX). The Company has been an SEC and PHLX member since August 1999. The Company engages in floor activity, solely to execute orders on behalf of its clients. The Company does not clear securities transactions or take possession or control of securities.

Note 2 - Summary of Significant Accounting Policies

a) Revenue Recognition

The Company principally earns commission by buying and selling securities for a diverse group of institutional investors. Securities transactions (and the recognition of related income and expenses) are recorded on a trade date basis. The commissions are invoiced to the clients at the end of a month and revenue is recorded.

J.A.K. Securities Corporation
Notes to Financial Statements
For the Year Ended December 31, 2021

b) Disaggregation of Revenue

The Company tracks its Customer by their annual commissions paid.

Annual Commission	Year Ended December 31, 2021
\$ 1 - \$25,000	\$121,727
\$25,000 - \$ 50,000	\$37,284
\$50,000 - \$ 75,000	\$170,437
\$75,000 - \$100,000	\$0
Greater than \$100,000	\$1,248,456

c) Income Taxes

The Company has elected to be treated as an "S" Corporation under the provisions of the Internal Revenue Code and the Pennsylvania State tax regulations. Under the provisions, the Company does not pay federal or state corporate income taxes on its taxable income. The shareholder reports the Company's income on his personal income tax return.

d) Cash

The Company maintains cash in bank accounts which, at times, may exceed federally insured limits or where no insurance is provided. The Company has not experienced any losses in such accounts and does not believe it is exposed to any significant credit risk on cash and cash equivalents.

J.A.K. Securities Corporation
Notes to Financial Statements
For the Year Ended December 31, 2021

e) Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions effect the reported amounts of assets and liabilities, and the reported amounts of revenues and expenses. Actual results may differ from these estimates.

f) Subsequent Event

The Company has evaluated subsequent events through evaluation May 6, 2022, the date of the financial statements were issued.

Note 3 - Financial Instruments with Off-Balance Sheet Credit Risk

As a securities broker, the Company is engaged in buying and selling securities for a diverse group of institutional and individual investors. The Company introduces these transactions for clearance to another broker-dealer on a fully disclosed basis.

J.A.K. Securities Corporation
Notes to Financial Statements
For the Year Ended December 31, 2021

Note 3 - Financial Instruments with Off-Balance Sheet Credit Risk (cont'd)

The Company's exposure to credit risk associated with non-performance of customers in fulfilling their contractual obligations pursuant to securities transactions can be directly impacted by volatile trading markets which may impair the customer's ability to satisfy its obligations to the Company and the Company's ability to liquidate the collateral at an amount equal to the original contracted amount. The agreement between the Company and its clearing broker provides that the Company is obligated to assume any exposure related to such non-performance by its customers.

Note 4 - Net Capital Requirements:

The Company is subject to and complies with the requirements for broker dealers under SEA rule 15c3-1 requiring the maintenance of a minimum net capital and requires that the ratio of aggregate indebtedness to net capital shall not exceed 15 to 1. At December 31, 2021, the Company had a net capital of \$379,443 which was \$279,443 in excess of its required net capital of \$100,000. At December 31, 2021, the Company's ratio of aggregate indebtedness to net capital was 83.35%.

J.A.K. Securities Corporation
Notes to Financial Statements
For the Year Ended December 31, 2021

Note 5 - Related Party:

The Stockholder made a loan to the Company in the amount of \$110,000. The loan was non-interest bearing and there was no maturity date. The loan balance of \$76,000 on December 31, 2020 was paid back in 2021, and the loan balance at December 31, 2021 was \$0.

Note 6 - Loan

The Company received a loan from T.D. Bank in the amount of \$106,817 under the Paycheck Protection Program established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The loan is subject to a note dated April 20, 2020. The Company applied for and has been notified that the loan has been forgiven. Loan forgiveness is reflected in revenue in the accompanying statement of income.

The Company received a loan from T.D. Bank in the amount of \$95,300 under the Paycheck Protection Program established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The loan is subject to a note dated February 25, 2021. The Company applied for and has been notified that the loan has been forgiven. Loan forgiveness is reflected in revenue in the accompanying statement of income.

J.A.K. Securities Corporation
Notes to Financial Statements
For the Year Ended December 31, 2021

Note 7 - Subsequent Events

A coronavirus (COVID-19) was first reported in China. In January 2020, the World Health Organization declared it a Public Health Emergency of International Concern. This contagious disease outbreak, which has continued to spread to additional countries, and any related adverse public health developments, could adversely affect the Company's customers, service providers and suppliers as a result of quarantines, facility closures, and travel and logistics restrictions in connection with the outbreak. More broadly, the outbreak could affect workforces, economies and financial markets globally, potentially leading to an economic downturn. The ultimate impact of the COVID-19 is uncertain. Management continues to monitor the outbreak, however, as of the date of these financial statements the potential impact of such on the Company's business and operations cannot be reasonably estimated. The U.S. enacted the CARES Act which is an economic stimulus package to assist eligible small businesses to cover certain operational costs due to the adverse impact of COVID-19. In addition, the CARES Act included temporary tax law changes to provide additional relief to U.S. businesses and individual taxpayers.

J.A.K. Securities Corporation
Notes to Financial Statements
For the Year Ended December 31, 2021

Note 8 - The Allowance for Credit Losses

Effective January 1, 2021, The Company adopted ASC Topic 326, financial Instruments - Credit Losses ("ASC 326"). ASC 326 impacts the impairment model for certain financial assets by requiring a current expected credit loss ("CECL") methodology to estimate expected credit losses over the entire life of the financial asset. Under the accounting update, the Company could determine there are no expected credit losses in certain circumstances (e.g., based on the credit quality of the client). The Company identified fees and other receivables (including, but not limited to, receivables related to securities transactions, and advisory fees) as impacted by the new guidance. ASC 326 specifies that the Company adopt the new guidance prospectively by means of a cumulative-effect adjustment to the opening member's equity as of the December 31, 2021. Accordingly, the Company recognized no adjustment upon adoption. The allowance for credit losses is based on the Company's expectation of the collectability of financial instruments, including fees and other receivables utilizing the CECL framework.

J.A.K. Securities Corporation
Notes to Financial Statements
For the Year Ended December 31, 2021

Note 8 - The Allowance for Credit Losses (cont'd)

The Company considers factors such as historical experience, credit quality, age of balances and current and future economic conditions that may affect the Company's expectation of collectability in determining the allowance for credit losses. The Company's expectation is that the credit risk associated with the fees and other receivables is not significant accordingly, the Company has not provided an allowance for credit losses at December 31, 2021.