

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

OMB APPROVAL
OMB Number: 3235-0123
Expires: August 31, 2020
Estimated average burden hours per response: 12.00

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

SEC FILE NUMBER
8-52139

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 07/01/19 AND ENDING 6/30/20
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER - DEALER: York Stockbrokers, Inc.

OFFICIAL USE ONLY
FORM ID: 190

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

575 Madison Avenue, Suite 1006

(No. and Street)

New York, NY 10022

(City)

(State)

(Zip Code)

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

Jean Bensadoun

(516) 624-7397

(Area Code - Telephone No.)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Morey, Nee, Buck & Oswald, LLC

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

2571 Bagleys Circle, Suite B20, Bethlehem, PA 18020

(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

*It is a basic assumption from the requirements 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 by the board for the estimate. See section 2A.17a-3(e)(2)

OATH OR AFFIRMATION

I, Jean Bensadoun, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statements and supporting schedules pertaining to the firm of York Stockbrokers, Inc., as of June 30, 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:

None


Notary Public




Jean Bensadoun, President

This report contains (check all applicable boxes):

- ☒ (a) Facing page.
- ☒ (b) Statement of Financial Condition.
- ☒ (c) Statement of Income (Loss).
- ☒ (d) Statement of Cash Flows.
- ☒ (e) Statement of Changes in Stockholders' Equity.
- ☐ (f) Statement of Changes in Subordinated Liabilities (not applicable).
- ☒ (g) Computation of Net Capital Pursuant to Rule 15c3-1 under the Securities Exchange Act of 1934.
- ☐ (h) Computation for Determination of Reserve Requirements for Brokers and Dealers Pursuant to Rule 15c3-3 under the Securities Exchange Act of 1934 (not applicable).
- ☐ (i) 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).
- ☐ (j) A Reconciliation, including Appropriate Explanations, of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Rule 15c3-3 (not applicable).
- ☐ (k) A Reconciliation Between the Audited and Unaudited Consolidated Statements of Financial Condition With Respect to Methods of Consolidation (not applicable).
- ☒ (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.
- ☐ (o) Management's assertion letter regarding Rule 12(r) exemption.

YORK STOCKBROKERS, INC

FINANCIAL STATEMENTS

June 30, 2020

YORK STOCKBROKERS, INC.

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For the Year Ended June 30, 2020

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Morey, Nee, Buck & Oswald, LLC

Certified Public Accountants and Advisors

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholder
of York Stockbrokers, Inc.

Opinion on the Financial Statements

We have audited the accompanying statement of financial condition of York Stockbrokers, Inc. as of June 30, 2020, the related statements of operations, changes in ~~stockholder's~~ equity, and cash flows for the year then ended, and the related notes (collectively referred to as the "financial statements"). **In our opinion, the financial statements present fairly, in all material respects, the financial position of York Stockbrokers, Inc. as of June 30, 2020, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.**

Basis for Opinion

These financial statements are the responsibility of York Stockbrokers, Inc. **'s management. Our responsibility is to express an opinion on York Stockbrokers, Inc.'s financial statements 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 York Stockbrokers, 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 statements are 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 statements, 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.

Auditor's Report on Supplemental Information

The Schedule of Computation of Net Capital for Brokers and Dealers Pursuant to Rule 15c3-1 has been subjected to audit procedures performed in conjunction with the audit of York Stockbrokers, Inc. **'s financial statements. The supplemental information is the responsibility of York Stockbrokers, Inc.'s management. Our audit procedures included determining whether the supplemental information reconciles to the financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the supplemental information. In forming our opinion on the supplemental information, we evaluated whether the supplemental information, including its form and content, is presented in conformity with 17 C.F.R. §240.17a-5. In our opinion, the Schedule of Computation of Net Capital for Brokers and Dealers Pursuant to Rule 15c3-1 is fairly stated, in all material respects, in relation to the financial statements as a whole.**

Morey, Nee, Buck & Oswald, LLC

We have served as York Stockbrokers, Inc. **'s auditor since** 2018.

Bethlehem, PA

August 7, 2020

1120 N. Bethlehem Pike • Suite 107 • PO Box 459 • Spring House, PA 19477 • Phone: 610-882-1000
2571 Baglyos Circle • Suite B20 • Bethlehem, PA 18020 • Phone: 610-882-1000
27 E. High Street • Suite A • Somerville, NJ 08878 • Phone: 908-393-0549
430 W. 24th Street • Suite 1A • New York, NY 10011 • Phone: 212-741-5117

www.moreycpa.com

YORK STOCKBROKERS, INC.

STATEMENT OF FINANCIAL CONDITION

June 30, 2020

Assets

Cash and cash equivalents	\$ 122,464
Receivable from brokers and dealers	6,885
Accounts receivable	380,573
Fixed assets, (net of accumulated depreciation of \$13,224)	2,567
Prepaid expense	18,117
Deferred tax asset	45,711
Security deposits	<u>3,000</u>

Total assets \$ 579,317

Liabilities

Accounts payable and accrued expenses	<u>\$ 370,161</u>
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Total liabilities 370,161

Stockholder's equity

Common stock, no par value; 1,000 shares authorized, 1,000 shares issued and outstanding	1,000
Additional paid-in capital	1,442,831
Accumulated deficit	<u>(1,234,675)</u>

Total stockholder's equity 209,156

Total liabilities and stockholder's equity \$ 579,317

The accompanying notes are an integral part of these financial statements.

YORK STOCKBROKERS, INC.

STATEMENT OF OPERATIONS

For the Year Ended June 30, 2020

Revenue

Consulting income	\$ 2,072,566
Commission income	300,647
Other income	<u>56</u>
Total revenue	<u>2,373,269</u>

Expenses

Commissions to registered representatives	1,873,319
General and administrative	85,863
Professional fees	68,890
Salaries and related taxes	343,447
Regulatory fees	9,864
Depreciation	2,303
Insurance	2,651
Clearing and floor brokerage fees	8,636
Travel and entertainment	<u>12,350</u>
Total expenses	<u>2,407,323</u>

Loss before provision for income taxes (34,054)

Corporate taxes - deferred (8,719)

Corporate taxes - current 4,655

Total income taxes (benefit) (4,064)

Net loss \$ (29,990)

The accompanying notes are an integral part of these financial statements.

YORK STOCKBROKERS, INC.

STATEMENT OF CHANGES IN STOCKHOLDER'S EQUITY

For the Year Ended June 30, 2020

	<u>Common Stock</u>		<u>Additional Paid-In Capital</u>	<u>Accumulated Deficit</u>	<u>Total</u>
	<u>Number of Shares</u>	<u>Amount</u>			
Beginning balance	1,000	\$ 1,000	\$ 1,442,831	\$ (1,204,685)	\$ 239,146
Net loss	_____	_____	_____	<u>(29,990)</u>	<u>(29,990)</u>
Ending balance	1,000	\$ 1,000	\$ 1,442,831	\$ (1,234,675)	\$ 209,156
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

The accompanying notes are an integral part of these financial statements.

YORK STOCKBROKERS, INC.

STATEMENT OF CASH FLOWS

For the Year Ended June 30, 2020

Cash flows from operating activities:

Net loss	\$	(29,990)
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Cash flows from operating activities

Adjustments to reconcile net loss:

Depreciation	2,303
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Decrease (increase) in:

Receivable from brokers and dealers	16,035
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Accounts receivable	31,094
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Prepaid expense	(9,085)
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Deferred tax asset	(8,719)
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(Decrease) increase in:

Accounts payable and accrued expenses	<u>(30,955)</u>
---------------------------------------	-----------------

Net cash used in operating activities	<u>(29,317)</u>
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Net decrease in cash	(29,317)
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Cash and cash equivalents, beginning of year	<u>151,781</u>
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Cash and cash equivalents, end of year	<u>\$ 122,464</u>
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Supplemental disclosure:

Cash paid during the year for:

Taxes	<u>\$ 4,655</u>
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The accompanying notes are an integral part of these financial statements.

YORK STOCKBROKERS, INC.

NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2020

1. Organization

York Stockbrokers, Inc. (“YSI” or the “Company”) is a Delaware corporation that was formed on June 17, 1999. YSI is a 100% owned subsidiary of International Asset Allocation Management, LLC. Effective June 15, 2000, the Company commenced operations as a broker-dealer registered with the Securities and Exchange Commission (the “SEC”) and became a member of FINRA (formerly NASD). The Company is currently engaged in various types of businesses, such as selling corporate debt securities, corporate equity securities, over-the-counter stocks and government securities. The Company also buys and sells foreign currencies to settle trades at the request of clients and distributes private placements. The Company is exempt from the provisions of Rule 15c3-3 under the Securities Exchange Act of 1934 in that the Company’s activities are limited to those set forth in the conditions for exemption appearing in Paragraph (k)(2)(i) and (k)(2)(ii) of that rule.

2. Significant Accounting Policies

Cash and Cash Equivalents

Cash and cash equivalents include highly liquid instruments with a maturity of three months or less.

Fixed Assets

Fixed assets are stated at cost and are depreciated using the straight-line method over their estimated useful lives. Fixed assets at June 30, 2020 consist of the following:

Computer equipment	\$ 6,518
Furniture and fixtures	<u>9,273</u>
	15,791
Less: accumulated depreciation	<u>(13,224)</u>
	<u>\$ 2,567</u>

YORK STOCKBROKERS, INC.

NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2020

Revenue and Expense Recognition

On July 1, 2018, the Company adopted ASU 2014-09 and all related amendments (“ASC 606”) and applied its provisions to all uncompleted contracts using the modified retrospective method. There was no change to beginning retained earnings from the effect of initially applying ASC 606.

Revenue from contracts with customers includes commission income, administrative customer fees and consulting fees from introduction 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.

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 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.

The Company provides administrative services on a daily basis and collects a monthly customer fee. The Company believes the performance obligation for providing administrative services is satisfied over time because the customers is receiving and consuming the benefit as they are provided by the Company. Fee arrangements are based on a percentage applied to the customer’s assets under management. Administrative customer fees are received monthly and recognized as earned.

The Company receives consulting fees for introducing customers to investment funds. Revenue for introduction services is generally recognized at the point in time that performance under the arrangement is completed. However, for certain introductions, revenue is recognized over time in which the performance obligations are simultaneously provided by the Company and consumed by the customer.

YORK STOCKBROKERS, INC.

NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2020

Revenue and Expense Recognition (continued)

Disaggregated Revenue from Contracts with Customers

The following table represents revenue by major source.

Revenue from contracts with customers	
Consulting fees from introduction services	\$ 2,072,566
Administrative customer fees	163,101
Commission income	<u>137,546</u>
Total Revenue from contracts with customers	\$ 2,373,213

Fair Value of Financial Instruments

In accordance with accounting principles generally accepted in the United States, the Company adopted the standard related to fair value measurements and disclosures. The standard defines fair value and establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and lowest priority to unobservable inputs (Level 3). As of June 30, 2020, the Company had no security positions.

Income Taxes

Income taxes are accounted for in accordance with FASB ASC 740: Income Taxes. As required under this standard, deferred tax assets and liabilities are recognized for the future tax consequences attributable to temporary differences between the financial statement carrying amounts of assets and liabilities and the respective tax basis amounts. Deferred tax assets and liabilities are measured under tax rates that are expected to apply to taxable income in the years in which these differences are expected to be settled. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in the period of the tax change.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

YORK STOCKBROKERS, INC.

NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2020

Accounts Receivable

The determination of the amount of uncollectible accounts is based on the length of time each receivable has been outstanding, and a reasonable assessment of the capacity of the debtor to pay the receivable. The allowance for uncollectable amounts reflects the amount of loss that can be reasonably estimated by management. As of June 30, 2020, the Company has not recorded an allowance for any potential non-collection. Accounts receivables at June 30, 2020 and 2019 were \$380,573 and \$411,668, respectively.

3. Financial Instruments with Off-Balance Sheet Risk and Concentration of Credit Risk

As a securities broker/dealer, the Company engaged in various brokerage activities on an agency basis. As a non-clearing broker, the Company has their own, and customers' transactions cleared through other broker dealers pursuant to fully disclosed clearance agreements. Nonperformance by its customers in fulfilling their contractual obligation pursuant to securities transactions with the clearing brokers may expose the Company to risk and potential loss. Substantially all of the Company's cash is held at clearing brokers and other financial institutions. Recognizing the concentration of credit risk that this implies, the Company utilizes clearing brokers that are highly capitalized.

4. Net Capital Requirements

The Company is subject to the Uniform Net Capital Rule under the Securities Exchange Act of 1934. The rule requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1. The net capital and aggregate indebtedness change from day to day, but as of June 30, 2020 the company had net capital of \$102,642, which was \$77,965 in excess of SEC required net capital of \$24,677.

5. Commitments and Contingencies

The Company rents office space on a month-to-month basis. The lease may be terminated by the Company upon a three-month written notice. The monthly lease payment is \$3,550.

Management represents that the Company does not have any legal liabilities or outstanding legal claims that are required to be accrued or disclosed.

YORK STOCKBROKERS, INC.

NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2020

6. Income Taxes

At June 30, 2020, the Company's deferred tax asset of \$45,711 was the result of federal net operating loss carry forwards of \$133,206. The net operating loss deductions will expire in various years through June 30, 2040 and the Company is limited to taking a \$6,451 deduction each year for \$103,216 of the carryforwards. Management has determined that no valuation allowance is necessary for the deferred tax asset as of June 30, 2020.

In accordance with US GAAP, the Company has adopted the provisions of FASB ASC 740: Income Taxes. The Company has assessed its income tax positions and has recorded tax benefits based upon management's evaluation of the facts, circumstances, and information available at the reporting dates. No uncertainties exist that will materially affect management's evaluations at June 30, 2020. The fiscal tax years of 2017, 2018 and 2019 remain subject to examination by federal and state taxing authorities.

7. Liabilities Subordinated to General Creditors

The Company has no liabilities subordinated to general creditors.

8. Concentrations

For the year ended June 30, 2020, approximately 98% of the consulting income was earned from four customers, and 89% of the accounts receivable balance was from three customers.

9. Subsequent Events

The Company has evaluated subsequent events through August 7, 2020, the date which the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

YORK STOCKBROKERS, INC.

SCHEDULE OF COMPUTATION OF NET CAPITAL FOR
BROKERS AND DEALERS PURSUANT TO RULE 15c3-1

For the Year Ended June 30, 2020

Stockholders' equity	<u>\$ 209,156</u>
Less: non-allowable assets:	
Accounts receivable	37,120
Fixed assets, net	2,567
Security deposits	3,000
Deferred tax asset	45,711
Prepaid expense	<u>18,116</u>
Total non-allowable assets	<u>106,514</u>
Net capital before haircut on securities positions	102,642
Haircut	<u>-</u>
Net capital	102,642
Computation of basic net capital requirement:	
Minimum net capital requirement (greater of 6 ⅔% of aggregate indebtedness or \$5,000)	<u>24,677</u>
Capital in excess of minimum requirement	<u>\$ 77,965</u>
Aggregate indebtedness	<u>\$ 370,161</u>
Ratio of aggregate indebtedness to net capital	<u>3.61 : 1</u>
Reconciliation with Company's computation (included in Part IIA of Form X-17A-5 as of June 30, 2020)	
Net capital, as reported in Company's Part IIA	
Focus report (as amended)	\$ 102,642
	<u>-0-</u>
Net capital, per June 30, 2020 audited report, as filed	<u>\$ 102,642</u>

Morey, Nee, Buck & Oswald, LLC

Certified Public Accountants and Advisors

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholder
of York Stockbrokers, Inc.

We have reviewed management's statements, included in the accompanying Exemption Report Pursuant to SEC Rule 17a-5, in which (1) York Stockbrokers, Inc. identified the following provisions of 17 C.F.R. §15c3-3(k) under which York Stockbrokers, Inc. claimed an exemption from 17 C.F.R. §240.15c3-3: (k)(2)(i) and (k)(2)(ii) (exemption provisions) and (2) York Stockbrokers, Inc. stated that York Stockbrokers, Inc. met the identified exemption provisions throughout the most recent fiscal year without exception. York Stockbrokers, Inc.'s management is responsible for compliance with the exemption provisions and its statements.

Our review was conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States) and, accordingly, included inquiries and other required procedures to obtain evidence about York Stockbrokers, Inc.'s compliance with the exemption provisions. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on management's statements. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to management's statements referred to above for them to be fairly stated, in all material respects, based on the provisions set forth in paragraph (k)(2)(i) and (k)(2)(ii) of Rule 15c3-3 under the Securities Exchange Act of 1934.

Morey, Nee, Buck & Oswald, LLC

Bethlehem, PA

August 7, 2020

YORK STOCKBROKERS, INC.

EXEMPTION REPORT PURSUANT TO SEC RULE 17a-5

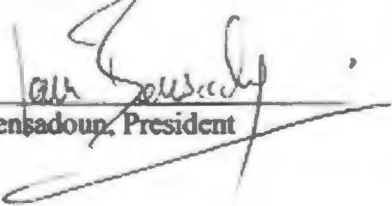
JUNE 30, 2020

York Stockbrokers, Inc. is a broker-dealer subject to Rule 17a-5 promulgated by the Securities and Exchange Commission. This Exemption Report was prepared as required by 17 C.F.R. 240.17a-5(d)(1) and (4). To the best of its knowledge and belief, the Company states the following:

York Stockbrokers, Inc. operates pursuant to paragraph (k)(2)(i) and (k)(2)(ii) of SEC Rule 15c3-3 under which the Company claims an exemption from SEC Rule 15c3-3.

The Company has met the identified exemption provisions throughout the most recent fiscal year without exception.

I, Jean Bensadoun, affirm that, to my best knowledge and belief, this Exemption Report is true and correct.



Jean Bensadoun, President