

Guidance Securities, LLC

**Financial Statements and Supplemental Information
Pursuant to Rule 17a-5 Under the
Securities Exchange Act of 1934
As of and for the year ended December 31, 2020**

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

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

OMB APPROVAL
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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 01/01/2020 AND ENDING 12/31/2020
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Guidance Securities, LLC

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

11107 Sunset Hills Road, Suite 200

(No. and Street)

Reston

(City)

VA

(State)

20190

(Zip Code)

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

TOM GAINOR

703-885-0824

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

PricewaterhouseCoopers LLC

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

1800 Tysons Blvd

(Address)

McLean

(City)

VA

(State)

22102

(Zip Code)

CHECK ONE:



Certified Public Accountant



Public Accountant



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

FOR OFFICIAL USE ONLY

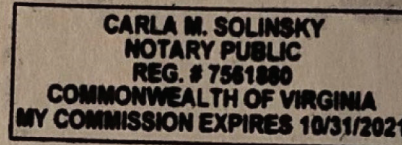
*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

OATH OR AFFIRMATION

I, Thomas Gainor, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Guidance Securities, LLC, 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:

Carla M. Solinsky
Notary Public

Thomas Gainor
Signature
President
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 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).

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Report of Independent Registered Public Accounting Firm

To the Board of Directors and the Member of Guidance Securities, LLC:

Opinion on the Financial Statements

We have audited the accompanying statement of financial condition of Guidance Securities, LLC (the “Company”) as of December 31, 2020, and the related statements of operations, member’s equity, and cash flows for the year then ended, including 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 the Company as of December 31, 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 the Company’s management. Our responsibility is to express an opinion on the Company’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 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 of these financial statements 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.

Supplemental Information

The accompanying Schedule I (“Computation of Net Capital”) and Schedule II (“Computation for Determination of Reserve Requirements”) have been subjected to audit procedures performed in conjunction with the audit of the Company’s financial statements. The supplemental information is the responsibility of the Company’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 Rule 17a-5 under the Securities Exchange Act of 1934. In our opinion, the Schedule I (“Computation of Net Capital”) and Schedule II (“Computation for Determination of Reserve Requirements”) are fairly stated, in all material respects, in relation to the financial statements as a whole.

Emphasis of Matter

The Company is a wholly owned subsidiary of Guidance Financial Group, LLC, which is a wholly owned subsidiary of CG (IFS), Inc. As disclosed in Note 4 of the financial statements, the Company has transactions and relationships with certain affiliated companies. The financial position of the Company may not be indicative of that which would have been had the company operated independently.

PricewaterhouseCoopers LLP

February 24, 2021

We have served as the Company's auditor since 2003.

GUIDANCE SECURITIES, LLC
Statement of Financial Condition
As of December 31, 2020

	2020
Assets	
Cash	\$ 12,218
Prepaid expenses	666
Deposits	<u>1,911</u>
Total assets	<u><u>\$ 14,795</u></u>
Liabilities and member's equity	
Accounts payable	\$ 1,438
Accrued expenses	<u>4,237</u>
Total liabilities	<u>5,675</u>
Commitment and contingencies (Note 5)	-
Member's equity	
Member's equity	369,500
Accumulated deficit	<u>(360,380)</u>
Total member's equity	<u>9,120</u>
Total liabilities and member's equity	<u><u>\$ 14,795</u></u>

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

GUIDANCE SECURITIES, LLC
Statement of Operations
For the year ended December 31, 2020

	2020
Revenue	
Total revenue	\$ -
Expenses	
Professional fees	33,349
Other operating expenses	5,340
Total expenses	<u>38,689</u>
Net loss	<u><u>\$ (38,689)</u></u>

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

GUIDANCE SECURITIES, LLC
Statement of Member's Equity
For the year ended December 31, 2020

	<u>Member's Equity</u>	<u>Accumulated Deficit</u>	<u>Total Member's Equity</u>
Balance at December 31, 2019	\$ 334,000	\$ (321,691)	\$ 12,309
Capital contributions	35,500	-	35,500
Net loss	-	(38,689)	(38,689)
Balance at December 31, 2020	<u>\$ 369,500</u>	<u>\$ (360,380)</u>	<u>\$ 9,120</u>

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

GUIDANCE SECURITIES, LLC
Statement of Cash Flows
For the year ended December 31, 2020

	2020
Cash flows from operating activities	
Net loss	\$ (38,689)
Adjustments to reconcile net loss to net cash used for operating activities:	
Increase (decrease) in:	
Prepaid expenses	45
Deposits	(925)
Accounts payable	1,438
Accrued expenses and due to affiliates	1,064
Net cash used in operating activities	<u>(37,067)</u>
Cash flows from financing activities	
Contribution from member	<u>35,500</u>
Net cash provided by financing activities	<u>35,500</u>
Net decrease in cash and cash equivalents	(1,567)
Cash and cash equivalents, beginning of year	<u>13,785</u>
Cash and cash equivalents, end of year	<u><u>\$ 12,218</u></u>

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

GUIDANCE SECURITIES, LLC
Notes to Financial Statements
As of and for the year ended December 31, 2020

1. Organization

Guidance Securities, LLC (the “Company”) is headquartered in Reston, Virginia. The Company is a Delaware limited liability company formed on March 25, 2002, and is a wholly-owned subsidiary of Guidance Financial Group, LLC (the “Parent”) which is a wholly-owned subsidiary of CG (IFS), Inc. The Company was formed to distribute financial products and services to certain investors in the United States.

The Company was capitalized on March 25, 2002 by a \$10,000 capital contribution from the Parent. The Company is dependent upon borrowings and capital contributions from the Parent to fund operating activities.

The Company is registered with the Securities and Exchange Commission and the Financial Industry Regulatory Authority (“FINRA”) and intends to provide distribution services for an affiliate, Guidance Investments Mutual Funds, which will be advised by another affiliate, Guidance Investments, LLC. As of and for the year ended December 31, 2020 the Company did not carry securities accounts for customers or perform custodial functions relating to customer activities.

2. Significant Accounting Policies

The accounting and reporting policies at the Company conform to accounting principles generally accepted in the United States of America. The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the 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. These estimates involve judgments with respect to, among other things, various future economic factors which are difficult to predict and beyond the control of the Company. Therefore, actual amounts could differ from these estimates.

The accounting policies that materially affect the determination of financial position, results of operations and cash flows are summarized below.

Cash

Cash consists of deposits with banks with a maturity of three months or less when purchased. The Company maintains its own cash accounts, which are periodically funded with capital contributions from its member.

Deposits

Deposits consist of amounts deposited with FINRA. These deposits may be drawn down from time to time by FINRA in satisfaction of license and other Company expenses owed to them.

GUIDANCE SECURITIES, LLC
Notes to Financial Statements
As of and for the year ended December 31, 2020

Income taxes

The accompanying financial statements contain no provision for federal and state income taxes. In accordance with the Internal Revenue Code and the Company's operating agreement, all federal and state income tax liabilities and/or tax benefits are passed through to the equity member. The Company's tax return and the amount of allocable Company profits or losses are subject to examination by federal and state taxing authorities. If such changes result in changes to the Company's profits and losses, the tax liability of the member could be changed accordingly.

3. Net Capital Requirements

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (SEC Rule 15c3-1), which requires the maintenance of minimum net capital and requires the ratio of aggregate indebtedness to net capital, both as defined, should not exceed 15:1.

At December 31, 2020, the Company had net capital of \$6,543 which was \$1,543 in excess of its required capital of \$5,000.

The Company's ratio of aggregate indebtedness to net capital at December 31, 2020 was 0.9:1.

4. Related-Party Transactions

The Company is a member of a group of affiliated entities. Certain employees of the Parent have been authorized to act for and on behalf of the Company as may be necessary to carry out its functions. The Parent, per an Expense Reimbursement Agreement, has agreed to assume liability for certain indirect expenses incurred by the Company.

5. Commitments and Contingencies

There were no material commitments or contingencies as of and for the year ended December 31, 2020.

6. Subsequent Events

For purposes of these financial statements, subsequent events have been evaluated from January 1, 2021 through February 24, 2021, which is the date that the financial statements were available to be issued. During this period the Company did not identify any material recognizable subsequent events.

Supplemental Information

GUIDANCE SECURITIES, LLC
Computation of Net Capital under Rule 15c3-1
of the Securities and Exchange Commission
December 31, 2020

Schedule I

	2020
Total aggregate indebtedness	<u>\$ 5,675</u>
Net capital:	
Total member's equity	\$ 9,120
Non-allowable assets:	
Prepaid expenses	(666)
Deposits	<u>(1,911)</u>
Net capital	<u>\$ 6,543</u>
Ratio of aggregate indebtedness to net capital	0.9:1
Computation of basis net capital requirement:	
Minimum net capital required	
(6.67% of aggregate indebtedness)	<u>\$ 379</u>
Minimum dollar net capital required	
for introducing broker-dealer	<u>\$ 5,000</u>
Net capital required	<u>\$ 5,000</u>
Excess net capital	<u>\$ 1,543</u>

GUIDANCE SECURITIES, LLC
Computation for Determination of Reserve
Requirements Pursuant to Rule 15c3-3
of the Securities and Exchange Commission
December 31, 2020

Schedule II

The Company (1) did not directly or indirectly receive, hold, or otherwise owe funds or securities for or to customers; (2) did not carry accounts of or for customers; and (3) did not carry PAB accounts (as defined in Rule 15c3-3) from January 1, 2020 to December 31, 2020 without exception.



Report of Independent Registered Public Accounting Firm

To the Management of Guidance Securities, LLC:

We have reviewed Guidance Securities, LLC's assertions, included in the accompanying Guidance Securities, LLC Exemption Report, in which the Company stated that:

- (1) The Company does not claim an exemption under paragraph (k) of 17 C.F.R. § 240.15c3-3, and
- (2) The Company is filing its Exemption Report relying on Footnote 74 of the SEC Release No. 34-70073 adopting amendments to 17 C.F.R. § 240.17a-5 because the Company limits its business activities exclusively to mutual fund underwriting and private placement of securities, and the Company (1) did not directly or indirectly receive, hold, or otherwise owe funds or securities for or to customers; (2) did not carry accounts of or for customers; and (3) did not carry PAB accounts (as defined in Rule 15c3-3) throughout the period January 1, 2020 to December 31, 2020 without exception.

The Company's management is responsible for the assertions and for compliance with the provisions of Footnote 74 of the SEC Release No. 34-70073 adopting amendments to 17 C.F.R. § 240.17a-5 throughout the period January 1, 2020 to December 31, 2020.

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 the Company's compliance with the provisions of Footnote 74 of the SEC Release No. 34-70073 adopting amendments to 17 C.F.R. § 240.17a-5. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on management's assertions. 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 assertions referred to above for them to be fairly stated, in all material respects, based on the provisions set forth in Footnote 74 of the SEC Release No. 34-70073 adopting amendments to 17 C.F.R. § 240.17a-5.

A handwritten signature in dark ink that reads "PricewaterhouseCoopers LLP". The signature is written in a cursive, flowing style.

February 24, 2021

GUIDANCE SECURITIES, LLC EXEMPTION REPORT

Guidance Securities LLC (the "Company") is a registered broker-dealer subject to Rule 17a-5 promulgated by the Securities and Exchange Commission (17 C.F.R. §240.17a-5, "Reports to be made by certain brokers and dealers"). 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:

- (1) The Company does not claim an exemption under paragraph (k) of 17 C.F.R. § 240.15c3-3, and
- (2) The Company is filing this Exemption Report relying on Footnote 74 of the SEC Release No. 34-70073 adopting amendments to 17 C.F.R. § 240.17a-5 because the Company limits its business activities exclusively to mutual fund underwriting and private placement of securities, and the Company (1) did not directly or indirectly receive, hold, or otherwise owe funds or securities for or to customers; (2) did not carry accounts of or for customers; and (3) did not carry PAB accounts (as defined in Rule 15c3-3) from January 1, 2020 to December 31, 2020 without exception.

Guidance Securities, LLC

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

By: Thomas Gainor
Thomas Gainor, President

Date: February 24, 2021