

BACKSTROM MCCARLEY BERRY & CO., LLC
Report Pursuant to Rule 17a-5(d)
Financial Statements
For The Year End December 31, 2022

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

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ANNUAL REPORTS
FORM X-17A-5
PART III

SEC FILE NUMBER

5679

FACING PAGE

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

FILING FOR THE PERIOD BEGINNING **1/1/22**

MM/00/YY

AND ENDING **12/31/22**

MM/DD/'N

A. REGISTRANT IDENTIFICATION

NAME OF FIRM: **Backstrom Mccarley Berry & Co., LLC**

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.)

115 Sansome Street, Mez. A

(No. and Street)

San Francisco

CA

94104

(City)

(State)

(Zip Code)

PERSON TO CONTACT WITH REGARD TO THIS FILING

Vincent E. Mccarley

(415) 392-5505

vmccarley@bmcbbco.com

(Name)

(Area Code - Telephone Number)

(Email Address)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose reports are contained in this filing*

LMHS, P.C. - Certified Public Accountants and Advisors

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

80 Washington Street, Bldg S Norwell

MA

02061

(Address)

(City)

(State)

(Zip Code)

2/24/2009

3373

(Date of Registration with PCAOB)(if applicable)

(PCAOB Registration Number, if applicable)

FOR OFFICIAL USE ONLY

- 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.

OATH OR AFFIRMATION

I, Vincent E. McCarley swear (or affirm) that, to the best of my knowledge and belief, the financial report pertaining to the firm of Backstrom McCarley Berry & Co., LLC as of December 31, 2021 is true and correct. I further swear (or affirm) that neither the company nor any rr.rtoec officer dicecrac oceo11iYaleo1 aecsoo a5 the case may be, has any proprietary interest in any account classified solely

a offtctr !hi certificate vett tS only the Idnttity of the IndMdual wlo slntd tftldocument to which this certificate Is attKhed. and not the trutfl fulnns. accuracy. or valldty of thtt document.

State of Ca

County of

Subwibed and sworn fo (or afflrmtd) before me on thl 27 day

of January, 2021, by Vincent E. McCarley

Notary Public APRIL M. JOHNSON proved to me on the basis of satisfactory v.d ce to be the persons) who appeared before me This filing **contains (check all applicable boxes):**

Y 11te"1eF1t eHiAaReial eonditio 1tr IS.al) or;

D (b) Notes to consolidated statement of financial condition.

iiiiii (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).

iiiiii (d) Statement of cash flows.

iiiiii (e) Statement of changes in stockholders' or partners' or sole proprietor's equity.

D (f) Statement of changes in liabilities subordinated to claims of creditors.

iiiiii (g) Notes to consolidated financial statements.

iiiiii (h) Computation of net capital under 17 CFR 240.15c3-1 or 17 CFR 240.15a-1, as applicable.

D (i) Computation of tangible net worth under 17 CFR 240.15a-2.

iiiiii (j) Computation for determination of customer reserve requirements pursuant to Exhibit A to 17 CFR 240.15c3-3.

D (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 240.15a-4, as applicable.

D (l) Computation for Determination of PAB Requirements under Exhibit A to § 240.15c3-3.

iiiiii (m) Information relating to possession or control requirements for customers under 17 CFR 240.15c3-3.

D (n) Information relating to possession or control requirements for security-based swap customers under 17 CFR 240.15c3-3(p)(2) or 17 CFR 240.15a-4, as applicable.

iiiiii (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 240.15a-1, or 17 CFR 240.15a-2, as applicable, and the reserve requirements under 17 CFR 240.15c3-3 or 17 CFR 240.15a-4, as applicable, if material differences exist, or a statement that no material differences exist.

D (p) Summary of financial data for subsidiaries not consolidated in the statement of financial condition.

iiiiii (q) Oath or affirmation in accordance with 17 CFR 240.17a-5, 17 CFR 240.17a-12, or 17 CFR 240.15a-7, as applicable.

D (r) Compliance report in accordance with 17 CFR 240.17a-5 or 17 CFR 240.15a-7, as applicable.

iiiiii (s) Exemption report in accordance with 17 CFR 240.17a-5 or 17 CFR 240.15a-7, as applicable.

D (t) Independent public accountant's report based on an examination of the statement of financial condition.

iiiiii (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 240.15a-7, or 17 CFR 240.17a-12, as applicable.

D (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 240.15a-7, as applicable.

iiiiii (w) Independent public accountant's report based on a review of the exemption report under 17 CFR 240.17a-5 or 17 CFR 240.15a-7, as applicable.

iiiiii (x) Supplemental reports on applying agreed-upon procedures, in accordance with 17 CFR 240.15c3-1e or 17 CFR 240.17a-12, as applicable.

D (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).

D (z) Other: _____

Signature: [Signature]

Title: <:Ee;



APRIL M. JOHNSON
Notary Public • California
San Francisco County
Commission :/ 2380962
My Comm. Expires 11/11/2025

...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.

BACKSTROM MCCARLEY BERRY & CO., LLC

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LMHS, P.C.
Certified Public Accountants and Advisors

Report of Independent Registered Public Accounting Firm

To the Members of
Backstrom McCarley Berry & Co., LLC
San Francisco, California

Opinion on the Financial Statements

We have audited the accompanying statement of financial condition of Backstrom McCarley Berry & Co., LLC, as of December 31, 2022, and the related statements of income, changes in members' 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 Backstrom McCarley Berry & Co., LLC as of December 31, 2022, and the results of its operations and its cash flows for the year then ended December 31, 2022, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the entity's management. Our responsibility is to express an opinion on these 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 Backstrom McCarley Berry & Co., LLC 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.

Supplemental Information

The supplemental information appearing on pages 11 through 12 has been subjected to audit procedures performed in conjunction with the audit of Backstrom McCarley Berry & Co., LLC's financial statements. The supplemental information is the responsibility of Backstrom McCarley Berry & Co., LLC'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 C.F.R. §240.17a-5. In our opinion, the supplemental information is fairly stated, in all material respects, in relation to the financial statements as a whole.

LMHS, P.C.

LMHS, P.C.
We have served as the Backstrom McCarley Berry & Co., LLC 's auditor since 2020.
Norwell, Massachusetts

February 27, 2023

BACKSTROM MCCARLEY BERRY & CO., LLC
Statement of Financial Condition
December 31, 2022

Assets

Cash	\$ 1,968,470
Deposit With Clearing Organization	179,271
Prepaid Expenses	<u>61,099</u>
Total assets	<u><u>\$ 2,208,840</u></u>

Liabilities and Members' Equity

Liabilities

Accounts Payable And Accrued Expenses	\$ 36,038
Pension Payables	<u>550,000</u>
Total liabilities	586,038

Commitments and contingencies

Members' Equity

Members' Equity	<u>1,622,802</u>
Total Members' Equity	<u>1,622,802</u>
Total Liabilities And Members' Equity	<u><u>\$ 2,208,840</u></u>

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

BACKSTROM MCCARLEY BERRY & CO., LLC

Statement of Income

For The Year End December 31, 2022

Revenues

Underwriting fees	\$ 553,753
Financial advisory fees	1,761,987
Commissions	30,000
Interest income	<u>10,848</u>
Total revenues	2,356,588

Expenses

Employee compensation and benefits	1,525,800
Commission expenses	61,097
Communication and data processing	86,046
Occupancy	102,277
Professional fees	176,610
Insurance	156,242
Travel expenses	58,593
Other operating expenses	<u>158,647</u>
Total expenses	<u>2,325,312</u>

Net income (loss) before income tax provision 31,276

Income tax provision 15,275

Net income (loss) \$ 16,001

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

BACKSTROM MCCARLEY BERRY & CO., LLC
Statement of changes in Members' Equity
For the Year Ended December 31, 2022

	Total Members' Equity
Balance at December 31, 2021	\$ 1,606,801
Net income (loss)	<u>16,001</u>
Balance at December 31, 2022	<u><u>\$ 1,622,802</u></u>

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

BACKSTROM MCCARLEY BERRY & CO., LLC

Statement of Cash Flows

December 31, 2022

Cash flow from operating activities:

Net income (loss)		\$	16,001
Adjustments to reconcile net income (loss) to net cash and cash equivalents provided by (used in) operating activities:			
(Increase) decrease in :			
Deposit with clearing organization	60,990		
Customer accounts receivable	339		
Prepaid expenses	(13,818)		
Operating lease right-of-use assets	51,860		
(Decrease) increase in :			
Accounts payable and accrued expenses	5,149		
Pension payables	52,000		
Operating lease liabilities	<u>(53,973)</u>		
Total adjustments			<u>102,547</u>
Net cash and cash equivalents provided by (used in) operating activities			118,548
Net cash and cash equivalents provided by (used in) investing activities			-
Net cash and cash equivalents provided by (used in) financing activities			<u>-</u>
Net increase (decrease) in cash and cash equivalents			118,548
Cash and cash equivalents at December 31, 2021			<u>1,849,922</u>
Cash and cash equivalents at December 31, 2022			<u>\$ 1,968,470</u>

Cash paid during the year for:

Interest	\$	-
Income taxes	\$	15,275

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

BACKSTROM MCCARLEY BERRY & CO., LLC
Notes to Financial Statements
December 31, 2022

NOTE 1: GENERAL AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Backstrom McCarley Berry & Co., LLC (the "Company") was organized in the State of California on June 4, 2002. The Company is a registered broker-dealer in securities under the Securities and Exchange Act of 1934. The Company is a member of the Financial Industry Regulatory Authority ("FINRA"), and the Securities Investor Protection Corporation ("SIPC"), and is registered with the Municipal Securities Rulemaking Board ("MSRB").

The Company provides public finance services as a municipal securities broker-dealer, government securities broker-dealer, non-profit securities broker-dealer, and financial advisor. Regarding municipal fixed income securities, the Company services primarily major institutional clients and specializes in selling bonds to small and medium sized institutional buyers, in addition to retail clients of bank trust departments, money managers, and advisors.

Under its membership agreement with FINRA and pursuant to Rule 15c3-3(k)(2)(ii), the Company conducts business on a fully disclosed basis and does not execute or clear securities transactions for customers. Accordingly, the Company is exempt from the requirement of Rule 15c3-3 under the Securities Exchange Act of 1934 pertaining to the possession or control of customer assets and reserve requirements.

Summary of Significant Accounting Policies

The presentation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

For purposes relating to the Statement of Cash Flows, the Company has defined cash equivalents as highly liquid investments, with original maturities of less than three months, that are not held for sale in the ordinary course of business.

BACKSTROM MCCARLEY BERRY & CO., LLC
Notes to Financial Statements
December 31, 2022

NOTE 1: GENERAL AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounts receivable are stated at face amount with no allowance for doubtful accounts. An allowance for doubtful accounts is not considered necessary because probable uncollectible accounts are immaterial.

Securities transactions are recorded on a trade date basis with related commission income and expenses also recorded on a trade date basis. Underwriting fees are recorded at the time the underwriting is completed and the income is reasonably determined. Financial advisory fees are recognized as earned on a pro rata basis over the term of the contract.

The following table disaggregates the Company's revenue based on timing of satisfaction of performance obligation for the year ended December 31, 2022:

Performance Obligation Satisfied at a Point in Time	\$ 2,356,588
Performance Obligation Satisfied at a Point Over Time	<u>-</u>
	<u>\$ 2,356,588</u>

Advertising costs are expensed as incurred. For the year ended December 31, 2022, advertising expense was \$4,701.

The Company, with the consent of its Members, has elected to be a California Limited Liability Company. For tax purposes the Company is treated like a partnership, therefore in lieu of business income taxes, the Members are taxed on the Company's taxable income. Accordingly, no provision or liability for Federal Income Taxes is included in these financial statements.

BACKSTROM MCCARLEY BERRY & CO., LLC
Notes to Financial Statements
December 31, 2022

NOTE 2: DEPOSIT AT CLEARING FIRM

The Company has a brokerage agreement with its clearing firm to carry its account and the accounts of its clients as customers of the clearing firm. The clearing firm has custody of the Company's cash balances which serve as collateral for any amounts due to the clearing firm as well as collateral for securities sold short or securities purchased on margin. Interest is paid monthly on these cash deposits at the average overnight repurchase rate. The balance at December 31, 2022 was \$179,271.

NOTE 3: INCOME TAXES

As discussed in the Summary of Significant Accounting Policies (Note 1), all tax effects of the Company's income or loss are passed through to the members. Therefore, no provision or liability for Federal Income Taxes is included in these financial statements.

The Company is subject to a limited liability company gross receipts tax, with a minimum franchise tax. As of December 31, 2022, the income tax provision consists of the following:

Franchise tax	\$ 800
Gross receipts tax	<u>14,475</u>
Total income tax provisions	<u>\$ 15,275</u>

NOTE 4: PENSION PLAN

The Company provides certain retirement benefits to its eligible employees. In accordance with Financial Accounting Standard Board ASC 712, such costs are to be accounted for on the accrual basis. Effective January 1, 2012, the Company adopted a qualified 401(K) Profit Sharing Plan (the "Plan"). All employees, 18 years of age or older, are eligible to participate in the Plan, provided they have been employed for more than a year with the Company. The employer's non-elective profit sharing contributions vest 100% after three years. The Company profit sharing contributions are discretionary and are determined each year by the Company. At December 31, 2022, the Company has accrued \$550,000 of contributions.

BACKSTROM MCCARLEY BERRY & CO., LLC
Notes to Financial Statements
December 31, 2022

NOTE 5: COMMITMENTS AND CONTINGENCIES

Contingencies

The Company maintains bank accounts at financial institutions. These accounts are insured either by the Federal Deposit Insurance Commission ("FDIC"), up to \$250,000, or the Securities Investor Protection Corporation ("SIPC"), up to \$500,000. At times during the year, cash balances held in financial institutions were in excess of the FDIC and SIPC's insured limits. The Company has not experienced any losses in such accounts and management believes that it has placed its cash on deposit with financial institutions which are financially stable.

NOTE 6: GUARANTEES

FASB ASC 460, Guarantees, requires the Company to disclose information about its obligations under certain guarantee arrangements. FASB ASC 460 defines guarantees as contracts and indemnification agreements that contingently require a guarantor to make payments to the guaranteed party based on changes in an underlying factor (such as an interest or foreign exchange rate, security or commodity price, an index or the occurrence or nonoccurrence of a specified event) related to an asset, liability or equity security of a guaranteed party. This guidance also defines guarantees as contracts that contingently require the guarantor to make payments to the guaranteed party based on another entity's failure to perform under an agreement as well as indirect guarantees of indebtedness of others.

The Company has issued no guarantees at December 31, 2022 or during the year then ended.

NOTE 7: CONCENTRATION OF CREDIT RISK

The Company is engaged in various trading and brokerage activities in which counter-parties primarily include broker-dealers, banks, and other financial institutions. In the event counter-parties do not fulfill their obligations, the Company may be exposed to risk. The risk of default depends on the creditworthiness of the counter-party or issuer of the instrument. It is the Company's policy to review, as necessary, the credit standing of each counter-party.

BACKSTROM MCCARLEY BERRY & CO., LLC
Notes to Financial Statements
December 31, 2022

NOTE 8: SUBSEQUENT EVENTS

The Company has evaluated other events subsequent to the statement of financial condition date for items requiring recording or disclosure in the financial statements. The evaluation was performed through the date the financial statements were available to be issued. Based upon this review, the Company has determined that there were no other events which took place that would have a material impact on its financial statements.

NOTE 9: RECENTLY ISSUED ACCOUNTING STANDARDS

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2014-09, Revenue from Contracts with Customers: Topic 606, to supersede nearly all existing revenue recognition guidance under GAAP. In August 2015, the FASB issued ASU 2015-14, Revenue from Contracts with Customers: Deferral of the Effective Date, which deferred the effective date for implementation of ASU 2014-09 by one year and is now effective for annual reporting periods beginning after December 15, 2017, with early adoption permitted but not earlier than the original effective date. ASU 2014-09 also requires new qualitative and quantitative disclosures, including disaggregation of revenues and descriptions of performance obligations. The new standard is in effect for fiscal years beginning July 1, 2018, and interim periods therein, using the modified retrospective method. The Company has performed an assessment of its revenue contracts as well as worked with industry participants on matters of interpretation and application and has not identified any material changes to the timing or amount of its revenue recognition under ASU 2014-09. The Company's accounting policies did not change materially as a result of applying the principles of revenue recognition from ASU-2014-09 and are largely consistent with existing guidance and current practices applied by the Company.

NOTE 10: 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 that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1. Rule 15c3-1 also provides that equity capital may not be withdrawn or cash dividends paid if the resulting net capital ratio would exceed 10 to 1. Net capital and aggregate indebtedness change day to day, but on December 31, 2022, the Company had net capital of \$2,111,703 which was \$2,011,703 in excess of its required net capital of \$100,000; and the Company's ratio of aggregate indebtedness of \$36,038 to net capital was 0.02 to 1.

BACKSTROM MCCARLEY BERRY & CO., LLC
Schedule I - Computation of Net Capital Requirements
Pursuant to Rule 15c3-1
As of December 31, 2022

Computation of net capital

Members' Equity	1,622,802	
Total Members' Equity	<u>1,622,802</u>	\$ 1,622,802
Add:		
Other allowable credits		<u>550,000</u>
Total Members' Equity qualified for net capital		2,172,802
Account receivable, net		
Prepaid expenses	(61,099)	
Total non-allowable assets	<u>(61,099)</u>	<u>(61,099)</u>
Net Capital		2,111,703

Computation of net capital requirements

Minimum net capital requirement		
6 2/3 percent of net aggregate indebtedness	\$ 2,403	
Minimum dollar net capital required	<u>\$ 100,000</u>	
Net capital required (greater of above)		<u>100,000</u>
Excess net capital		<u>\$ 2,011,703</u>
Aggregate indebtedness		<u>\$ 36,038</u>

Ratio of aggregate indebtedness to net capital 0.02 : 1

There was no material difference between net capital computation showned here and the net capital computation shown on the Company's unaudited Form X-17A-5 reported dated December 31, 2022.

See independent auditor's report

BACKSTROM MCCARLEY BERRY & CO., LLC

**Schedule II - Computation for Determination of the Reserve Requirements and
Information Relating to Possession or Control Requirements For Brokers and
Dealers Pursuant to SEC Rule 15c3-3**

as of December 31, 2022

The Company is exempt from the provision of Rule 15c3-3 under paragraph (k)(2)(ii) in that the Company carries no accounts, does not hold funds or securities for, or owe money or securities to customers. The Company will effectuate all financial transactions on behalf of its customers on a fully disclosed basis. Accordingly, there are no items to report under the requirements of this Rule.

See independent auditor's report



LMHS, P.C.

Certified Public Accountants and Advisors

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Members of Backstrom McCarley Berry & Co., LLC

We have reviewed management's statements, included in the accompanying Backstrom McCarley Berry & Co., LLC ("the Company") Exemption Report in which (1) Backstrom McCarley Berry & Co., LLC identified the following provisions of 17 C.F.R. §15c3-3(k) under which the Company claimed an exemption from 17 C.F.R. §240.15c3-3(k)(2)(ii) (the "exemption provision") and (2) the Company stated that it met the identified exemption provision throughout the most recent fiscal year of 2022, without exception. The Company's management is responsible for compliance with the exemption provision 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 the Company's compliance with the exemption provision. 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)(ii) of Rule 15c3-3 under the Securities Exchange Act of 1934.

LMHS, P.C.

LMHS, P.C.

We have served as Backstrom McCarley Berry & Co., LLC's auditor since 2020.
Norwell, Massachusetts

February 27, 2023



Backstrom McCarley Berry & Co., LLC

Assertions Regarding Exemption Provisions

We, as members of management of Backstrom McCarley Berry & Co., LLC (“the Company”), are responsible for compliance with the annual reporting requirements under Rule 17a-5 of the Securities Exchange Act of 1934. Those requirements compel a broker or dealer to file annual reports with the Securities Exchange Commission (SEC) and the broker or dealer’s designated examining authority (DEA). One of the reports to be included in the annual filing is an exemption report prepared by an independent public accountant based upon a review of assertions provided by the broker or dealer. Pursuant to that requirement, the management of the Company hereby makes the following assertions:

Identified Exemption Provision:

The Company claims exemption from the custody and reserve provisions of Rule 15c3-3 by operating under the exemption provided by Rule 15c3-3, Paragraph (k)(2)(ii).

Statement Regarding Meeting Exemption Provision:

The Company met the identified exemption provision without exception throughout the period January 1, 2022 through December 31, 2022.

Backstrom McCarley Berry & Co., LLC

By: 

Vincent E. McCarley, CEO

Date: 2/27/2023



LMHS, P.C.

Certified Public Accountants and Advisors

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM ON APPLYING AGREED UPON PROCEDURES

To the Members of Backstrom McCarley Berry & Co., LLC

We have performed the procedures included in Rule 17a-5(e)(4) under the Securities Exchange Act of 1934 and in the Securities Investor Protection Corporation (SIPC) Series 600 Rules, which are enumerated below on the accompanying General Assessment Reconciliation (Form SIPC-7) for the year ended December 31, 2022. Management of Backstrom McCarley Berry & Co., LLC (Company) is responsible for its Form SIPC-7 and for its compliance with the applicable instructions on Form SIPC-7.

Management of the Company has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of assisting you and SIPC in evaluating the Company's compliance with the applicable instructions on Form SIPC-7 for the year ended December 31, 2022. Additionally, SIPC has agreed to and acknowledged that the procedures performed are appropriate for their intended purpose. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures we performed, and our findings are as follows:

1. Compared the listed assessment payments in Form SIPC-7 with respective cash disbursement records entries noting no differences;
2. Compared the Total Revenue amounts reported on the Annual Audited Report Form X-17A-5 Part III for the year ended December 31, 2022, with the Total Revenue amounts reported in Form SIPC-7 for the year ended December 31, 2022 noting no differences;
3. Compared any adjustments reported in Form SIPC-7 with supporting schedules and working papers noting no differences;
4. Recalculated the arithmetical accuracy of the calculations reflected in Form SIPC-7 and in the related schedules and working papers supporting the adjustments noting no differences; and
5. Compared the amount of any overpayment applied to the current assessment with the Form SIPC-7 on which it was originally computed noting no differences.

We were engaged by the Company to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the AICPA and in accordance with the standards of the Public Company Accounting Oversight Board (United States). We were not engaged to, and did not conduct an examination or a review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the Company's Form SIPC-7 and for its compliance with the applicable instructions on Form SIPC-7 for the year ended December 31, 2022. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the Company and the SIPC and is not intended to be and should not be used by anyone other than these specified parties.

LMHS, P.C.

LMHS, P. C.

We have served as the Company's auditor since 2020.

Norwell, Massachusetts

February 27, 2023

SIPC-7

(36-REV 12/18)

SECURITIES INVESTOR PROTECTION CORPORATION

Mail Code: 8967 P.O. Box 7247 Philadelphia, PA 19170-0001

General Assessment Reconciliation**SIPC-7**

(36-REV 12/18)

For the fiscal year ended 7-7-2022

(Read carefully the instructions in your Working Copy before completing this Form)

TO BE FILED BY ALL SIPC MEMBERS WITH FISCAL YEAR ENDINGS

1. Name of Member, address, Designated Examining Authority, 1934 Act registration no. and month in which fiscal year ends for purposes of the audit requirement of SEC Rule 17a-5:

I**7**

Note: If any of the information shown on the mailing label requires correction, please e-mail any corrections to form@sipc.org and so indicate on the form filed.

L**J**

Name and telephone number of person to contact respecting this form.

2. A. General Assessment (item 2e from page 2)

\$ <600

B. Less payment made with SIPC-6 filed (exclude Interest)

1,97511-1-2021,
Date Paid

C. Less prior overpayment applied

(1,115)

D. Assessment balance due or (overpayment)

*overpayment(1,175)

E. Interest computed on late payment (see instruction E) for _____ days at 20% e_r annum

F. Total assessment balance and interest due (or overpayment carried forward) C(eJ-1+

\$ 1,175G. **PAYMENT:** the box ☐ **Check mailed to P.O. Box 111 Funds Wired**
Total (must be same as F above)**9****0**

H. Overpayment carried forward

\$0.00

3. Subsidiaries (S) and predecessors (P) included in this form (give name and 1934 Act registration number):

The SIPC member submitting this form and the person by whom it is executed represent thereby that all information contained herein is true, correct and complete.

Backstrom McCarty Berry & Co. - LLG
(Name of Corporation, Partnership or other organization)Dated the 16 day of July, 2021.John J. Berry
e111

(Title)

This form and the assessment payment is due 60 days after the end of the fiscal year. Retain the Working Copy of this form for a period of not less than 6 years, the latest 2 years in an easily accessible place.

ff Dates: _____

3: Postmarked _____ Received _____ Reviewed _____

VE Calculations _____ Documentation--- Forward Copy_____

CE Exceptions: _____

u Disposition of exceptions: _____

DETERMINATION OF "SIPC NET OPERATING REVENUES" AND GENERAL ASSESSMENT

Amounts for the fiscal period
beginning _____
and ending _____

Eliminate cents

Item No.

2a. Total revenue (FOCUS Line 12/Part IIA Line 9, Code 4030)

\$ 2,139,503

2b. Additions:

- (1) Total revenues from the securities business of subsidiaries (except foreign subsidiaries) and predecessors not included above.
- (2) Net loss from principal transactions in securities in trading accounts.
- (3) Net loss from principal transactions in commodities in trading accounts.
- (4) Interest and dividend expense deducted in determining item 2a.
- (5) Net loss from management of or participation in the underwriting or distribution of securities.
- (6) Expenses other than advertising, printing, registration fees and legal fees deducted in determining net profit from management of or participation in underwriting or distribution of securities.
- (7) Net loss from securities in investment accounts.

Total additions

2c. Deductions:

- (1) Revenues from the distribution of shares of a registered open end investment company or unit investment trust, from the sale of variable annuities, from the business of insurance, from investment advisory services rendered to registered investment companies or insurance company separate accounts, and from transactions in security futures products.
- (2) Revenues from commodity transactions.
- (3) Commissions, floor brokerage and clearance paid to other SIPC members in connection with securities transactions.
- (4) Reimbursements for postage in connection with proxy solicitation.
- (5) Net gain from securities in investment accounts.
- (6) 100% of commissions and markups earned from transactions in (i) certificates of deposit and (ii) Treasury bills, bankers acceptances or commercial paper that mature nine months or less from issuance date.
- (7) Direct expenses of printing advertising and legal fees incurred in connection with other revenue related to the securities business (revenue defined by Section 16(9)(L) of the Act).
- (8) Other revenue not related either directly or indirectly to the securities business.
(See Instruction C):

2,241,385

61,097

(Deductions in excess of \$100,000 require documentation)

- {9} (i) Total interest and dividend expense (FOCUS Line 22/PART IIA Line 13, Code 4075 plus line 2b(4) above) but not in excess of total interest and dividend income.

\$ _____

- {ii} 40% of margin interest earned on customers securities accounts (40% of FOCUS line 5, Code 3960).

\$ _____

Enter the greater of line (i) or (ii)

Total deductions

2,302,482

\$ 533,503

\$ 1,768,919

2d. SIPC Net Operating Revenues

2e. General Assessment@ .0015

(to page 1, line 2.A.)