

**OPEN TO THE PUBLIC INVESTING, INC.**  
**STATEMENT OF FINANCIAL CONDITION**  
**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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8-66049

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 1/1/2020 AND ENDING 12/31/2020  
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Open to the Public Investing, Inc.

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

1 State Street Plaza, 10th Floor

OFFICIAL USE ONLY

FIRM I.D. NO.

(No. and Street)

New York

NY

10004

(City)

(State)

(Zip Code)

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

Xiaoyan Li

646-845-4293

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

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

RGNC&S Certified Public Accountants PLLC

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

97 Froehlich Farm Blvd

Woodbury

NY

11797

(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

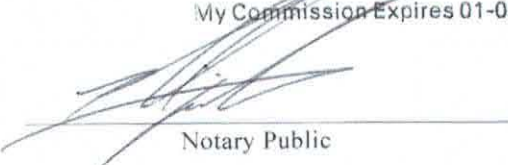
\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

## OATH OR AFFIRMATION

I, Sean Hendelman, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Open to the Public Investing, Inc., 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:

NADAV SAPEIKA  
NOTARY PUBLIC-STATE OF NEW YORK  
No. 02SA6352936  
Qualified in New York County  
My Commission Expires 01-09-2021

  
Signature  
Chief Executive Officer  
Title

  
Notary Public

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).



Mark C. Goldberg, CPA  
Mark Raphael, CPA  
Floria Samii-Nikpour, CPA  
Allan B. Cohen, CPA  
Michael R. Sullivan, CPA

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Anita C. Jacobsen, CPA

Founding Partner:  
Melvin Goldberg, CPA

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders  
of Open to the Public Investing, Inc.

### Opinion on the Financial Statement

We have audited the accompanying statement of financial condition of Open to the Public Investing, Inc. (the "Company") as of December 31, 2020, and the related notes to the financial statement. In our opinion, the statement of financial condition presents fairly, in all material respects, the financial position of Open to the Public Investing, Inc. as of December 31, 2020, in conformity with accounting principles generally accepted in the United States of America.

### Basis for Opinion

This financial statement is the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statement based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement, whether due to error or fraud. Our audit included performing procedures to assess the risks of material misstatement of the financial statement, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statement. 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 statement. We believe that our audit provides a reasonable basis for our opinion.

*Raphael Goldberg Nikpour Cohen & Sullivan CPAs PLLC*

Raphael Goldberg Nikpour Cohen & Sullivan  
Certified Public Accountants PLLC

We have served as the Company's auditors since 2016

Woodbury, New York  
February 26, 2021



**OPEN TO THE PUBLIC INVESTING, INC.**  
**STATEMENT OF FINANCIAL CONDITION**  
**DECEMBER 31, 2020**

**ASSETS**

Cash	\$ 776,838
Due from broker	229,495
Securities Owned, at fair value	93,344
Other assets	<u>335,970</u>
Total assets	<u><u>\$ 1,435,647</u></u>

**LIABILITIES AND STOCKHOLDER'S EQUITY**

Liabilities

Securities sold, not yet purchased, at fair value	\$ 41,210
Accounts payable and accrued expenses	<u>225,430</u>
Total liabilities	<u><u>266,640</u></u>

Stockholder's Equity

Common stock, No par value; Authorized, issued and outstanding 100 shares	100
Paid-in capital	9,070,933
Accumulated deficit	<u>(7,902,026)</u>
Total stockholder's equity	<u><u>1,169,007</u></u>
Total liabilities and stockholder's equity	<u><u>\$ 1,435,647</u></u>

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

These financial statements and supplemental information are deemed confidential  
Pursuant to subparagraph (e) (3) of Rule 17a-5 of the Securities and Exchange commission.

**OPEN TO THE PUBLIC INVESTING, INC.**  
**NOTES TO THE FINANCIAL STATEMENT**  
**DECEMBER 31, 2020**

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**1. Organization and Description of Business**

Open to the Public Investing, Inc. (the "Company") is a broker-dealer wholly-owned by Public Holdings, Inc. (the "Parent"). The Company is a registered broker-dealer with the Securities and Exchange Commission ("SEC"), and a member of the Financial Industry Regulatory Authority ("FINRA").

The Company was formed on May 16, 2003 as a New York corporation. The ownership transfer from T3 Companies, LLC to Public Holding, Inc. has been completed as of January 14, 2020, and the company then changed its name to Open to the Public Investing, Inc. on January 28, 2020.

The Company engages primarily in online securities transactions using its mobile app technology for retail customers, focusing on domestic, listed equity securities transactions.

The Company operates under the exemptive provisions of SEC Rule 15c3-3(k)(2)(ii). The Company does not maintain possession or control of any customer funds or securities and is exempt from requirements of SEC Rule 15c3-3.

**2. Summary of Significant Accounting Policies**

*Basis of Presentation*

The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP").

*Use of Estimates*

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

*Concentration of Credit Risk*

Financial instruments that potentially subject the Company to significant concentrations of credit risk consist principally of cash balances which at times may be in excess of the Federal Deposit Insurance Corporation insured limits, which was \$250,000 at December 31, 2020.

*Revenue Recognition*

In May 2014, the FASB issued ASU 2014-09, Revenue from Contracts with Customers (Topic 606), which will supersede nearly all existing revenue recognition guidance under accounting principles generally accepted in the United States. The core principle of this ASU is that revenue should be recognized for the amount of consideration expected to be received for promised goods or services transferred to customers. This ASU also requires additional disclosure about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments, and assets recognized for costs incurred to obtain or fulfill a contract.

The Company has evaluated the new guidance and the adoption is not expected to have a significant impact on the Company's financial statements and a cumulative effect adjustment under the modified retrospective method of adoption will not be necessary.

The Company derives revenue from commissions and fee in client transactions, and the trader related revenue and expenses are recorded on the trade date basis.

- ***Commission rebates and revenue sharing***

The Company received ECN rebates and revenues shares from using Smart order Route for customer orders and a percentage of securities lending revenues from its clearing firm.

- ***Realized and Unrealized Gains and Losses***

Gains and losses included both realized and unrealized gains and losses at fair value, and are primarily related to the Company's securities owned and securities sold, but not yet purchased.

*Fair Value Measurements*

FASB ASC 820, Fair Value Measurement has no material effect on these financial statements.



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

### *Income Taxes*

The Company uses the asset and liability method of accounting for income taxes pursuant to Financial Accounting Standards Board (FASB) Accounting Standards Codification Topic 740, Income Taxes (ASC 740). Under the asset and liability method of ASC 740, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets, including tax loss and credit carryforwards, and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary difference are expected to be recovered or settled. The effect on deferred tax assets and liabilities are individually classified as current and noncurrent based on their characteristics. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized.

In accordance with ASC 740, the Company recognizes the effect of the income tax positions only if those positions are more likely than not of being sustained. A tax position that fails to meet this threshold will result in a reduction of the current and deferred tax assets, and/or recording of current or deferred tax liabilities. The Company recognizes accrued interest and penalties, if applicable, related to income taxes as a component of income tax expense.

### **3. Due from broker**

The Company clears its transactions through other broker Dealers on fully disclosed basis. Amount due from clearing brokers consist of the following at December 31, 2020.

Due from broker:	<u>\$ 229,495</u>
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### **4. Related Party Transactions**

The Company is one of several affiliated companies that are commonly owned by the Parent. The Company has a services agreement with affiliates for services provided to the Company, including: mobile app technology support, management; general and administrative services; computer and certain other expenses. During the year ended December 31, 2020, these expenses amounted to \$970,298.

### **5. Income Taxes**

The company is subject to federal, state and local income tax.

As of December 31, 2020, the Company has a deferred tax asset of \$ 1,244,334 for Federal, \$383,984 for New York State and \$521,888 for New York City, which is primarily related to net operating loss carryforwards. The Company has record a valuation allowance of \$2,150,206, resulting in a recognized deferred tax asset of zero due to uncertainty regarding the Company's ability to realize the benefit of the deferred tax asset.

### **6. Commitments and Contingent Liabilities**

The Company had no lease or equipment rental commitments and no underwriting commitments at December 31, 2020 or during the year then ended. The company has been named as defendant in several class action lawsuits, but the legal representative has advised that the litigation is not overly threatened, and the loss contingency is not material.

### **7. 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 non-occurrence 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 the indebtedness of others.

The Company had issued no guarantees at December 31, 2020 or during the year then ended.

**OPEN TO THE PUBLIC INVESTING, INC.**  
**NOTES TO THE FINANCIAL STATEMENT**  
**DECEMBER 31, 2020**

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**8. Net Capital Requirement**

The Company is subject to the Securities and Exchange Commission's Uniform Net Capital Rule (SEC Rule 15c3-1) which requires the Company to maintain a minimum net capital of the greater of 6 2/3% of aggregate indebtedness or \$100,000, and a ratio of aggregate indebtedness to net capital not exceeding 15 to 1, both as defined. At December 31, 2020, the Company's net capital was \$816,354, which was \$716,354 in excess of its required net capital of \$100,000. The Company's ratio of aggregate indebtedness to net capital was 0.28 to 1.

**9. Risks and uncertainties**

The World Health Organization characterized the outbreak of the novel coronavirus ("COVID-19") as global pandemic on March 11, 2020. COVID-19 continues to adversely impact global and domestic commercial activity and has contributed to significant volatility in financial markets.

**10. Subsequent Events**

Management has evaluated subsequent events and no other events have been identified by management which require disclosure.