

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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8-68571

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: Eight Pines Securities, LLC

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

909 Fannin Street, Suite 4000

OFFICIAL USE ONLY

FIRM I.D. NO.

Houston

(No. and Street)

TX

77010

(City)

(State)

(Zip Code)

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

Michael Schaps

281-367-2454

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

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

MRPR CPAs & Advisors

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

28411 Northwestern HWY STE 800 Southfield

MI

48034

(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

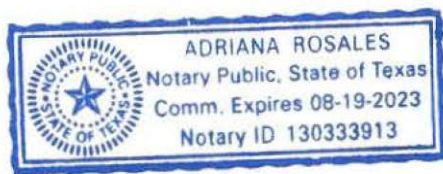
\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

## OATH OR AFFIRMATION

I, Michael Schaps, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Eight Pines 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:

\_\_\_\_\_

\_\_\_\_\_



Michael R Schaps  
Signature  
Chief Financial Officer  
Title

Adriana Rosales  
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).

# Eight Pines Securities, LLC

**FINANCIAL STATEMENTS AND  
SUPPLEMENTAL INFORMATION  
PURSUANT TO RULE 17a5 OF THE  
SECURITIES AND EXCHANGE COMMISSION**

**AND**

**REPORT OF INDEPENDENT REGISTERED  
PUBLIC ACCOUNTING FIRM**

**FOR THE YEAR ENDED DECEMBER 31, 2020**

# Eight Pines Securities, LLC

**FOR THE YEAR ENDED DECEMBER 31, 2020**

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## **REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

Sole Member  
Eight Pines Securities, LLC  
Houston, Texas

### **Opinion on the Financial Statements**

We have audited the accompanying statement of financial condition of Eight Pines Securities, LLC as of December 31, 2020, and the related statements of operations, changes in member's equity and cash flows for the year then ended, and the related notes and schedules (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of Eight Pines Securities, LLC as of December 31, 2020, and the results of its operations and 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 Eight Pines Securities, LLC's management. Our responsibility is to express an opinion on Eight Pines Securities, LLC'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 Eight Pines Securities, 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.

## **Auditor's Report on Supplemental Information**

The I Schedule of Computation of Net Capital Pursuant to Rule 15c3-1, II Schedule of Computation for Determination of Reserve Requirements for Broker/Dealer Under Rule 15c3-3 (Exemption) and III Schedule of Information Relating to the Possession or Control Requirements Under Rule 15c3-3 (Exemption) (referred to as "supplemental schedules") have been subjected to audit procedures performed in conjunction with the audit of Eight Pines Securities, LLC 's financial statements. The supplemental information is the responsibility of Eight Pines Securities, 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 17 C.F.R. §240.17a-5. In our opinion, the supplemental are fairly stated, in all material respects, in relation to the financial statements as a whole.

*MRPR Group, P.C.*

We have served as Eight Pines Securities, LLC's auditor since 2012.

Southfield, Michigan  
January 29, 2021

# Eight Pines Securities, LLC

## STATEMENT OF FINANCIAL CONDITION DECEMBER 31, 2020

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### ASSETS

Cash and cash equivalents	\$	58,413
Other assets		<u>12,684</u>
Total assets	\$	<u><u>71,097</u></u>

### LIABILITIES AND MEMBER'S EQUITY

Accounts payable	\$	10,675
Payable to affiliate		<u>23,041</u>
Total liabilities		33,716
Member's equity	\$	<u>37,381</u>
Total liabilities and member's equity	\$	<u><u>71,097</u></u>

See notes to financial statements.

# Eight Pines Securities, LLC

## STATEMENT OF OPERATIONS FOR THE YEAR ENDED DECEMBER 31, 2020

### REVENUES:

Other revenues	\$ 14
Total revenue	14

### OPERATING EXPENSES:

Professional fees	270,963
Shared expenses	26,844
Regulatory expenses	13,445
Direct and other operating expenses	1,172
Total operating expenses	312,424

NET LOSS	\$ (312,410)
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See notes to financial statements.



# Eight Pines Securities, LLC

## STATEMENT OF CHANGES IN MEMBER'S EQUITY FOR THE YEAR ENDED DECEMBER 31, 2020

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BALANCE, AT BEGINNING OF YEAR	\$ 349,791
NET LOSS	<u>(312,410)</u>
BALANCE, AT END OF YEAR	<u>\$ 37,381</u>

See notes to financial statements.

# Eight Pines Securities, LLC

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2020

### CASH FLOWS FROM OPERATING ACTIVITIES:

Net loss	\$ (312,410)
Adjustments to reconcile net loss to net cash provided by operating activities:	
Receivable from (payable to) affiliate	308,552
Prepays and other assets	(756)
Accounts payable and accrued expenses	<u>4,550</u>
Net cash used in operating activities	<u>(64)</u>

**DECREASE IN CASH AND CASH EQUIVALENTS** (64)

**CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR** 58,477

**CASH AND CASH EQUIVALENTS AT END OF YEAR** \$ 58,413

### SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:

Cash paid during the year for:

Interest	\$ 0
Income taxes	\$ 0

See notes to financial statements.

# Eight Pines Securities, LLC

## NOTES TO FINANCIAL STATEMENTS

### **NOTE 1 - Summary of Significant Accounting Policies**

Organization - Eight Pines Securities, LLC (the Company) was formed for the purpose of doing business as a broker-dealer; operations commenced May 22, 2012. The Company is a wholly owned subsidiary of Conway MacKenzie Capital Advisors, LLC and is a member of the Financial Industries Regulatory Authority (FINRA). The Company is a securities broker-dealer that engages in private placement of securities and does not carry customer accounts, hold customer funds or securities or introduce accounts on a fully-disclosed basis to a clearing firm.

Use of estimates in the preparation of financial statements - The preparation of financial statements in conformity with generally accepted accounting principles 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

Revenue recognition – The Company follows ASU No. 2014-09, Revenue from Contracts with Customers (Topic 606). Revenue from contracts with customers includes fees from investment banking 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. Revenue from these arrangements is recognized at a point in time, generally the closing date of the transaction. There was no revenue during 2020.

Revenue from contracts with customers includes advisory services on mergers and acquisitions (M&A). 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. Revenue from these arrangements is recognized at a point in time, generally the closing date of the transaction. There was no revenue during 2020.

Revenue for M&A advisory arrangements is generally recognized at the point in time that performance under the arrangement is completed, generally the closing date of the transaction.

Computation of customer reserve - The Company is exempt from customer reserve requirements and providing information relating to possession or control of securities pursuant to Rule 15c3-3 of the Securities and Exchange Act of 1934. The Company is considered "Non-Covered Firm" exempt from 17 C.F.R. § 240.15c3-3 and is filing an Exemption Report relying on footnote 74 to SEC Release 34-70073, and as discussed in Q&A 8 of the related FAQ issued by the SEC staff. The Company limits its business activities exclusively to private placement of securities.

Income taxes - The Company is a limited liability company under the Internal Revenue Code. Because of this election, Federal income taxes are not provided for in the accompanying financial statements.

# Eight Pines Securities, LLC

## **NOTES TO FINANCIAL STATEMENTS** **(CONTINUED)**

Cash and cash equivalents - The Company considers any investment with a maturity of three months or less at date of purchase to be cash or cash equivalents. There were no cash equivalents at December 31, 2020. Cash and cash equivalents includes accounts which may, at times, exceed the Federal Deposit Insurance Corporation (FDIC) insurance limits. At December 31, 2020, there were no accounts with balances that exceeded the FDIC limits.

Subsequent events - The Company has evaluated events and transactions that occurred between December 31, 2020 and January 29, 2021, which is the date that the financial statements were available to be issued, for possible recognition or disclosure in the financial statements. There were no subsequent events to recognize or disclose.

### **NOTE 2 - Net Capital Requirements**

The Company is subject to the Securities and Exchange Commission "Uniform Net Capital Rule" (Rule 15c3-1), which requires the maintenance of minimum net capital at an amount equal to the greater of \$5,000 or 6 2/3 % of aggregate indebtedness and requires that the ratio of aggregate indebtedness to net capital not exceed 15 to 1.

At December 31, 2020, the Company had net capital of \$24,697 which was \$19,697 in excess of the required capital of \$5,000.

The Company is also subject to the Securities and Exchange Commission Uniform Net Capital Rule (SEC Rule 15c3-1), which requires that the ratio of aggregate indebtedness to net capital, both as defined, not exceed 15 to 1. SEC 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. At December 31, 2020, the Company's ratio of aggregate indebtedness to net capital was 1.37 to 1.

### **NOTE 3 - Transactions with Related Company**

The Company is affiliated with another professional corporation who provides most of the administrative services under a shared expense operating agreement. The financial statements are not necessarily indicative of the conditions that would have existed, or the results of operations that would have occurred, had the Company been an unaffiliated company. The Company reimbursed its affiliated company in 2020 for shared administrative expenses including compensation, rent, overhead, etc. in the amount of \$26,844.

# Eight Pines Securities, LLC

DECEMBER 31, 2020

**SUPPORTING SCHEDULES PURSUANT TO RULE 17a-5 OF THE  
SECURITIES AND EXCHANGE COMMISSION**

# Eight Pines Securities, LLC

## I SCHEDULE OF COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1 OF THE SECURITIES AND EXCHANGE COMMISSION DECEMBER 31, 2020

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### NET CAPITAL

Total members' equity qualified for net capital	\$ 37,381
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### Deductions and/or charges

#### Nonallowable assets:

Other assets	12,684
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Total Nonallowable assets	12,684
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Net capital	\$ 24,697
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AGGREGATE INDEBTEDNESS	33,716
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### COMPUTATION ON BASIC NET CAPITAL REQUIREMENTS

Minimum net capital required (6 2/3% of total aggregate indebtedness)	\$ 2,248
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Minimum dollar net capital requirement	\$ 5,000
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Net capital requirement (greater of above two minimum requirement amounts)	\$ 5,000
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Excess net capital	\$ 19,697
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Ratio: Aggregate indebtedness to net capital	1.37 to 1
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### Reconciliation of Computation of Net Capital

The above computation does not differ from the computation of net capital under Rule 15c3-1 as of December 31, 2020 as filed by Eight Pines Securities, LLC on Form X-17A-5. Accordingly, no reconciliation is deemed necessary.

### Statement Regarding SIPC Agreed-upon Procedures

The Company is exempt from the filing of the SIPC Agreed-upon Procedures report as gross revenues are less than \$500,000.

# Eight Pines Securities, LLC

DECEMBER 31, 2020

## **II SCHEDULE OF COMPUTATION FOR DETERMINATION OF RESERVE REQUIREMENTS FOR BROKER/DEALER UNDER RULE 15c3-3 (EXEMPTION)**

Eight Pines Securities, LLC is exempt from the Computation for Determination of Reserve Requirement for Broker/Dealer under Rule 15c3-3 of the Securities and Exchange Commission. The Company is considered “Non-Covered Firm” exempt from 17 C.F.R. § 240.15c3-3 and is filing an Exemption Report relying on footnote 74 to SEC Release 34-70073, and as discussed in Q&A 8 of the related FAQ issued by the SEC staff. The Company limits its business activities exclusively to private placement of securities.

# Eight Pines Securities, LLC

**DECEMBER 31, 2020**

## **III SCHEDULE OF INFORMATION FOR POSSESSION OR CONTROL REQUIREMENTS FOR BROKER/DEALER UNDER RULE 15c3-3 (EXEMPTION)**

Eight Pines Securities, LLC is exempt from the Information for Possession or Control Requirement for Broker/Dealer under Rule 15c3-3 of the Securities and Exchange Commission. The Company is considered “Non-Covered Firm” exempt from 17 C.F.R. § 240.15c3-3 and is filing an Exemption Report relying on footnote 74 to SEC Release 34-70073, and as discussed in Q&A 8 of the related FAQ issued by the SEC staff. The Company limits its business activities exclusively to private placement of securities.





## **REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Sole Member  
Eight Pines Securities, LLC  
Houston, Texas

We have reviewed management's statements, included in the accompanying Eight Pines Securities, LLC Exemption Report, in which (1) Eight Pines Securities, LLC does not claim an exemption under paragraph (k) of 17 C.F.R. §15c3-3 and (2) Eight Pines Securities, LLC is filing an Exemption Report relying on Footnote 74 of the SEC Release No. 34-70073 adopting amendments to 17C.F.R §240.17a-5 because the Company limits its business activities exclusively to: (1) effecting securities transactions subscriptions on a subscription way basis where the funds are payable to the issuer or its agent and not to the Company; (2) receiving transaction-based compensation for identifying potential merger and acquisition opportunities for clients, referring securities transactions to other broker-dealers, and the Company (1) did not directly or indirectly receive, hold, or otherwise owe funds or securities for or to customers, (other than money or other consideration received and promptly transmitted in compliance with paragraph (a) or (b)(2) of Rule 15c2-4 and/or funds received and promptly transmitted for effecting transactions via subscriptions on a subscription way basis where the funds are payable to the issuer or its agent and not to the Company); (2) did not carry accounts of or for customers; and (3) did not carry PAB accounts (as defined in Rule 15c3-3) throughout the most recent fiscal year without exception. Eight Pines Securities, LLC'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 Eight Pines Securities, LLC'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 Rule 15c3-3 under the Securities Exchange Act of 1934 and Footnote 74 of the SEC Release No. 34-70073.

*MRPR Group, P.C.*

Southfield, Michigan  
January 29, 2021

## **Eight Pines Securities, LLC.**

909 Fannin Street, Suite 4000 / Houston, Texas 77010  
713-650-0500

### **Exemption Report**

**Eight Pines 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: (1) effecting securities transactions via subscriptions on a subscription way basis where the funds are payable to the issuer or its agent and not to the Company; (2) receiving transaction-based compensation for identifying potential merger and acquisition opportunities for clients, referring securities transactions to other broker-dealers, and the Company (1) did not directly or indirectly receive, hold, or otherwise owe funds or securities for or to customers, (other than money or other consideration received and promptly transmitted in compliance with paragraph (a) or (b)(2) of Rule 15c2-4 and/or funds received and promptly transmitted for effecting transactions via subscriptions on a subscription way basis where the funds are payable to the issuer or its agent and not to the Company); (2) did not carry accounts of or for customers; and (3) did not carry PAB accounts (as defined in Rule 15c3-3) throughout the most recent fiscal year without exception.

### **Eight Pines Securities, LLC.**

I, Michael R. Schaps, swear (or affirm) that, to my best knowledge and belief, this Exemption Report is true and correct.



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Michael R. Schaps, Chief Financial Officer

January 24, 2021