

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

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

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

SEC FILE NUMBER
8-25324

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 07/01/17 AND ENDING 06/30/18  
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: RJJ PASADENA SECURITIES, INC.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)  
625 S. FAIR OAKS AVE. STE. 125

OFFICIAL USE ONLY
25324
FIRM I.D. NO.

(No. and Street)	(City)	(State)	(Zip Code)
<u>SOUTH PASADENA</u>	<u>CA</u>	<u>91030</u>	

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT  
NUSHEEN JAVADIZADEH 626-792-1244  
(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

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

KBL, LLP

(Name - if individual, state last, first, middle name)			
<u>535 FIFTH AVE 30TH FL</u>	<u>NEW YORK CITY</u>	<u>NY</u>	<u>10017</u>
(Address)	(City)	(State)	(Zip Code)

CHECK ONE:

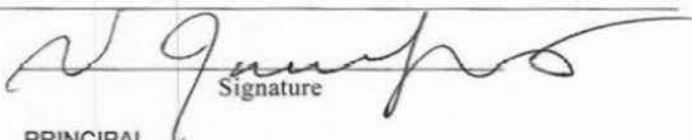
- ☒ Certified Public Accountant  
☐ Public Accountant  
☐ Accountant not resident in United States or any of its possessions.


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, NUSHEEN JAVADIZADEH, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of RJJ PASADENA SECURITIES, INC., as of JUNE 30, 20 18, 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:

  
Signature  
PRINCIPAL  
Title

(See ATTACHED NOTARY)   
Notary Public

This report \*\* contains (check all applicable boxes):

- ☒ (a) Facing Page.
- ☒ (b) Statement of Financial Condition.
- ☒ (c) Statement of Income (Loss).
- ☒ (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).

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California  
County of Los Angeles

Subscribed and sworn to (or affirmed) before me on this 16th  
day of August, 20 18, by \_\_\_\_\_  
Nusheen Rena Javadizadeh

proved to me on the basis of satisfactory evidence to be the  
person(s) who appeared before me.



(Seal)

Signature

A handwritten signature in cursive script, appearing to read "Ariana Figueras", written over a horizontal line.

**RJJ PASADENA SECURITIES, INC.**

**FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION  
PURSUANT TO 17a-5(d) OF THE SECURITIES AND EXCHANGE  
COMMISSION AND REPORT OF INDEPENDENT REGISTERED PUBLIC  
ACCOUNTING FIRM**

**JUNE 30, 2018**

## TABLE OF CONTENTS

	Page
Report of Independent Registered Public Accounting Firm	1
Financial Statements:	
Statement of Financial Condition	2
Statement of Income	3
Statement of Stockholders' Equity	4
Statement of Cash Flows	5
Notes to Financial Statements	6 – 9
Supplementary Information:	
Schedule I – Computation of Net Capital, Aggregate indebtedness and Basic Net Capital Requirement Pursuant to Rule 15c3-1 of the Securities and Exchange Commission	10
Exemption Report Pursuant to Rule 15c3-3 of the Securities and Exchange Commission	11
Review Report of Independent Registered Public Accounting Firm	12
Supplemental SIPC Report	13-15



535 Fifth Avenue, 30<sup>th</sup> Floor  
New York, NY 10017  
Telephone: 212.785.9700  
[www.kbl.com](http://www.kbl.com)

Report of Independent Registered Public Accounting Firm

Board of Directors of RJJ Pasadena Securities, Inc.  
South Pasadena, California

**Opinion on the Financial Statements**

We have audited the accompanying financial condition of RJJ Pasadena Securities, Inc. as of June 30, 2018, and the related statements of income, changes in members' equity and cash flows for the year then ended, and the related notes and schedule I (collectively referred to as the financial statements). In our opinion, the financial statements present fairly, in all material respects, the financial position of RJJ Pasadena Securities, Inc. as of June 30, 2018, 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 RJJ Pasadena Securities, Inc.'s management. Our responsibility is to express an opinion on RJJ Pasadena Securities, Inc.'s financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to RJJ Pasadena Securities, Inc. in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

**Supplemental Information**

The Computation of Net Capital Under SEC Rule 15c3-1, Computation for Determination of Reserve Requirements and Information relating to Possession or Control Requirements Under SEC Rule 15c3-3 has been subjected to audit procedures performed in conjunction with the audit of RJJ Pasadena Securities, Inc.'s financial statements. The supplemental information is the responsibility of RJJ Pasadena Securities, Inc.'s management. Our audit procedures included determining whether the supplemental information reconciles to the financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the supplemental information. In forming our opinion on the supplemental information, we evaluated whether the supplemental information, including its form and content, is presented in conformity with 17 C.F.R. §240.17a-5. In our opinion, the supplemental information is fairly stated, in all material respects, in relation to the financial statements as a whole.

We have served as RJJ Pasadena Securities, Inc.'s auditor since 2010.

**KBL LLP**

New York, New York

August 1, 2018

**RJJ PASADENA SECURITIES, INC.**  
**STATEMENT OF FINANCIAL CONDITION**  
**JUNE 30, 2018**

**ASSETS**

Cash	\$	264,781
Restricted cash		50,000
Commissions receivable		17,924
Deposits		<u>3,948</u>
Total assets	\$	<u><u>336,653</u></u>

**LIABILITIES AND STOCKHOLDERS' EQUITY**

Liabilities:		
Accounts payable and accrued expenses	\$	3,000
Accrued officer salaries		<u>221,277</u>
Total liabilities		<u>224,277</u>
Stockholders' equity		
Common stock; no par value; 10,000 shares issued and outstanding		100,000
Retained earnings		<u>12,376</u>
Total stockholders' equity		<u>112,376</u>
Total liabilities and stockholders' equity	\$	<u><u>336,653</u></u>

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

**RJJ PASADENA SECURITIES, INC.**  
**STATEMENT OF INCOME**  
**YEAR ENDED JUNE 30, 2018**

Revenues:	
Commission income	\$ 1,070,426
Expenses:	
Salaries	822,428
Payroll taxes	58,533
Insurance	10,522
Office expenses	40,051
Rent	55,840
Auto expenses	12,961
Advertising and promotion	21,767
Taxes, licenses and regulatory fees	12,098
Travel and entertainment	7,698
Telephone	7,315
Other expenses	19,053
Total operating expenses	<u>1,068,266</u>
Income from operations before provision for income taxes	2,160
Provision for income taxes	<u>978</u>
Net income	<u><u>\$ 1,182</u></u>

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



**RJJ PASADENA SECURITIES, INC.**  
**STATEMENT OF STOCKHOLDERS' EQUITY**  
**YEAR ENDED JUNE 30, 2018**

	Common Stock	Retained Earnings	Total Stockholders' Equity
Balances, June 30, 2017	\$ 100,000	\$ 11,194	\$ 111,194
Net income for the year ended June 30, 2018		<u>1,182</u>	<u>1,182</u>
Balances, June 30, 2018	<u>\$ 100,000</u>	<u>\$ 12,376</u>	<u>\$ 112,376</u>

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

**RJJ PASADENA SECURITIES, INC.**  
**STATEMENT OF CASH FLOWS**  
**YEAR ENDED JUNE 30, 2018**

Cash flows from operating activities:

Net income \$ 1,182

Adjustments to reconcile net income to net cash  
used in operating activities:

Increase in assets:

Commissions receivable \$ 5,511

(Decrease) in liabilities:

Accounts payable and accrued expenses (15,739)

Accrued officer salaries (50,020)

Net cash used in operating activities (60,248)

Decrease in cash (59,066)

Cash-beginning of year 323,847

Cash-end of year \$ 264,781

**Supplemental Disclosure of Cash Flow Information**

Cash paid for:

Interest \$ -

Income Taxes \$ 800

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

**RJJ PASADENA SECURITIES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**1. ORGANIZATION AND BUSINESS ACTIVITY**

RJJ Pasadena Securities, Inc. (the Company) is a registered broker-dealer as a member of the Financial Industry Regulatory Authority ("FINRA") as well as the Securities and Exchange Commission ("SEC") and is a member of the Securities Investor Protection Corporation ("SIPC"). The Company provides investment advisory services for its clients. All client investments are held by a custodial brokerage house and the Company does not maintain any type of ownership of the funds it invests in on behalf of clients. The Company receives revenues in the form of commissions from the brokerage houses that maintain client investments. Most of the Company's clients are located in Southern California.

The Company operates in one segment in accordance with accounting guidance Financial Accounting Standards Board ("FASB") ASC Topic 280, Segment Reporting. The Chief Executive Officer has been identified as the chief operating decision maker as defined by FASB ASC Topic 280.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

This summary of significant accounting policies is presented to assist the reader in understanding and evaluating the financial statements. The preparation of financial statements in conformity with generally accepted accounting principles 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.

Cash and Cash Equivalents

The Company considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Basis of Accounting

The Company maintains its accounting records on the accrual basis of accounting. Security transactions are recorded on a settlement date basis, generally the third business day following the transaction date.

It is management's opinion that all material adjustments have been made which are necessary for fair financial statement presentation.

**RJJ PASADENA SECURITIES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2017**  
**(continued)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Restricted Cash

Restricted cash is maintained by its brokerage house as a compensating balance (securitization) on all commissions paid.

Income Taxes

The Company is subject to income taxes in the United States of America. Significant judgment is required in evaluating our uncertain tax positions and determining the provision for income taxes. In accordance with FASB ASC Topic 740, "Income Taxes," the Company provides for the recognition of deferred tax assets if realization of such assets is more likely than not. The Company accounts for income tax under the provisions of FASB ASC Topic 740, "Income Taxes", which requires recognition of deferred tax assets and liabilities for the expected future tax consequences of the events that have been included in the financial statements or tax returns. Deferred income taxes are recognized for all significant temporary differences between tax and financial statements bases of assets and liabilities. Valuation allowances are established against net deferred tax assets when it is more likely than not that some portion or all of the deferred tax asset will not be realized. There are no uncertain income tax positions that management has identified. Tax years remaining open for examination include June 30, 2018, 2017, 2016 and 2015.

Fair Value of Financial Instruments

The Company applies the provisions of accounting guidance, FASB Topic ASC 825 that requires all entities to disclose the fair value of financial instruments, both assets and liabilities recognized and not recognized on the balance sheet, for which it is practicable to estimate fair value, and defines fair value of a financial instrument as the amount at which the instrument could be exchanged in a current transaction between willing parties. As of June 30, 2018 the fair value of cash and accounts payable, approximated carrying value due to the short maturity of the instruments, quoted market prices or interest rates which fluctuate with market rates.

Recent Accounting Pronouncements

The Company has evaluated new accounting pronouncements that have been issued and are not yet effective for the Company and determined that there are no such pronouncements expected to have an impact on the Company's future financial statements.

**RJJ PASADENA SECURITIES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2017**  
**(continued)**

**3. NET CAPITAL REQUIREMENT**

The Company is subject to the SEC Uniform Net Capital Rule (Rule 15c3-1), which requires the maintenance of minimum net capital of \$50,000 and requires the ratio of aggregate indebtedness to net capital, both as defined, not to exceed 15:1. The rule also provides that equity capital may not be withdrawn, cash dividends paid or the Company's operations expanded, if the resulting net capital ratio would exceed 10:1. At June 30, 2018 the Company had net capital of \$107,087, as defined, which was \$57,087 in excess of the FINRA minimum net capital requirement of \$50,000.

**4. PROFIT SHARING PLAN**

The Company sponsors a profit sharing plan retirement plan (the Plan) covering substantially all employees ages 21 or older. Each year, the Company may elect to make a discretionary match of 25% of each employee's compensation, subject to legal limits. The Company's contributions are vested immediately. Employees may typically start receiving benefits at the age of 55. The Company reserves the right to terminate the Plan at any time, at which point all of the contributions made to the Plan would become 100% vested.

There were no contributions made by the Company for the year ended June 30, 2018.

**5. LEASE COMMITMENT**

The Company leases its headquarters for \$4,800 per month, subject to annual increases.

Minimum lease payments under the lease is as follows:

Year ending June 30,	
2019	\$ 59,696
2020	61,482
2021	63,328
2022	<u>54,090</u>
	\$ <u>238,596</u>

Total rent expense for the year ended June 30, 2018 amounted to \$55,840.

**RJJ PASADENA SECURITIES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2017**  
**(continued)**

**6. SUBSEQUENT EVENTS**

The Company has evaluated events occurring between the end of its fiscal year, June 30, 2017 and August 1, 2018, the date the financial statements were available to be issued.

**RJJ PASADENA SECURITIES, INC.**  
**SUPPLEMENTARY INFORMATION**  
**JUNE 30, 2018**



**RJJ PASADENA SECURITIES, INC.**  
**COMPUTATION OF NET CAPITAL PER UNIFORM**  
**NET CAPITAL RULE 15C3-1**  
**YEAR ENDED JUNE 30, 2018**

**CREDITS**

Shareholders' equity	112,376
----------------------	---------

**DEBITS**

Non allowable assets	
Haircuts on securities	1,341
Deposits	3,948

<b>TOTAL DEBITS</b>	<b>5,289</b>
---------------------	--------------

NET CAPITAL, as defined	\$ 107,087
-------------------------	------------

6-2/3% of aggregate indebtedness in the amount of \$14,952 or \$50,000, whichever is greater	\$ 50,000
--	-----------

EXCESS NET CAPITAL	\$ 57,087
--------------------	-----------

**AGGREGATE INDEBTEDNESS**

Accounts payable and accrued expenses	3,000
Accrued officer salaries	221,277

TOTAL AGGREGATE INDEBTEDNESS	\$ 224,277
------------------------------	------------

Ratio of Aggregate Indebtedness to Net Capital	2.10:1.0
--	----------

**Reconciliation with the Company's computation of net capital:**

Net capital as reported in the Company's Part IIA Focus Report	\$ 107,087
Net audit adjustments	-
Increase in non-allowable and haircuts	-

Net Capital per above	\$ 107,087
-----------------------	------------

There are no material differences between the computation of the net capital presented above and the computation of net capital in the Company's unaudited Form X-17A-5 Part IIA filing as of June 30, 2018.



**RJJ PASADENA SECURITIES, INC.**

**EXEMPTION REPORT PURSUANT TO RULE 15c3-3 OF THE SECURITIES AND  
EXCHANGE COMMISSION**

**JUNE 30, 2018**

RJJ Pasadena Securities, Inc. operates pursuant to paragraph (k)(2)(ii) of the SEC Rule 15c3-3 under which the Company claims an exemption from the SEC Rule 15c3-3. The Company is exempt for the reserve requirements of Rule 15c3-3 as its transactions are limited, such that it does not handle customer funds or securities. Accordingly, the computation for determination of reserve requirements pursuant to Rule 15c3-3 and information relating to the possession or control requirement pursuant to Rule 15c3-3 are not applicable.

The Company has met the identified exemption provisions throughout the year ended June 30, 2018 without exception.

A handwritten signature in black ink, appearing to read 'Nusheen Javaidizadeh', written over a horizontal line.

Nusheen Javaidizadeh

Principal



535 Fifth Avenue, 30<sup>th</sup> Floor  
New York, NY 10017  
Telephone: 212.785.9700  
[www.kbl.com](http://www.kbl.com)

Report of Independent Registered Public Accounting Firm

Board of Directors of RJJ Pasadena Securities, Inc.  
South Pasadena, California

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

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

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

***KBL LLP***

New York, New York

August 1, 2018



535 Fifth Avenue, 30<sup>th</sup> Floor  
New York, NY 10017  
Telephone: 212.785.9700  
[www.kbl.com](http://www.kbl.com)

Board of Directors of RJJ Pasadena Securities, Inc.  
South Pasadena, California

In accordance with Rule 17a-5(e)(4) of the Securities and Exchange Commission act of 1934 and with the SIPC Series 600 Rules, we have performed the following procedures enumerated below, which were agreed to by RJJ Pasadena Securities, Inc. and the Securities Investor Protection Corporation (SIPC) with respect to the accompanying schedule of Assessments and Payments (Form SIPC-7) of RJJ Pasadena Securities, Inc. for the year ended June 30, 2018, solely to assist you and SIPC in evaluating RJJ Pasadena Securities, Inc.'s compliance with the applicable instructions of the General Assessment Reconciliation (Form SIPC-7). RJJ Pasadena Securities, Inc.'s management is responsible for compliance with those requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the Public Company Oversight Board (United States). The sufficiency of the 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 listed assessment payments in form SIPC-7 with respective cash disbursement records entries, citing no differences.
2. Compared the total revenue amount reported on the audited Form X-17A-5 for the year from July 1, 2017 to June 30, 2018, with the amounts reported in the general assessment reconciliation (Form SIPC-7B) for the year ending June 30, 2018, citing no differences.
3. Compared any adjustments reported in Form SIPC-7 with supporting schedules and working papers, citing no differences.
4. Recalculated the mathematical accuracy of the calculations reflected in Form SIPC-7 and in the related schedules and working papers supporting the adjustments, citing no differences.
5. Compared the amount of any overpayment applied to the current assessment with the Form SIPC-7 on which it was originally computed, citing no differences, citing no differences.

We were not engaged to and did not conduct an audit, the objective of which would be the expression of an opinion on compliance with the applicable instructions of the Form SIPC-7. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the informational and use of the specified parties listed above and is not intended to be and should not be used by anyone other than these specified parties.

**KBL, LLP**

New York, New York  
August 1, 2018

**RJJ PASADENA SECURITIES, INC.**  
**DETERMINATION OF "SIPC NET OPERATING REVENUES"**  
**AND GENERAL ASSESSMENT**  
**YEAR ENDED JUNE 30, 2018**  
**SCHEDULE OF ASSESSED PAYMENTS**

General assessment	\$ 1,606
Less payments made:	<u>(838)</u>
Net assessed balance	<u>\$ 768</u>
Payment made with form SIPC-7B	<u>\$ 768</u>

**RJJ PASADENA SECURITIES, INC.**  
**DETERMINATION OF "SIPC NET OPERATING REVENUES"**  
**AND GENERAL ASSESSMENT**  
**YEAR ENDED JUNE 30, 2018**

Total revenue	\$ 1,070,417	
Additions:	-	
Deductions - other	<u>-</u>	
SIPC net operating revenue	<u>\$ 1,070,417</u>	
Total assessed balance @ .0015		\$ 1,606