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SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

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

FILING FOR THE PERIOD BEGINNING 01/01/2021 AND ENDING 12/31/2021  
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF FIRM: Beech Hill Securities, Inc.

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.)

880 Third Avenue, 16th Floor  
(No. and Street)  
New York NY 10022  
(City) (State) (Zip Code)

PERSON TO CONTACT WITH REGARD TO THIS FILING

Vincent Iannuzzi (212) 350-7214 viannuzzi@bh-secs.com  
(Name) (Area Code - Telephone Number) (Email Address)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose reports are contained in this filing\*

Gettry Marcus CPA, P.C.  
(Name - if individual, state last, first, and middle name)  
201 Old Country Road, Ste 202 Melville NY 11747  
(Address) (City) (State) (Zip Code)  
12/17/2009 4034  
(Date of Registration with PCAOB)(if applicable) (PCAOB Registration Number, if applicable)

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\* 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 Iannuzzi, swear (or affirm) that, to the best of my knowledge and belief, the financial report pertaining to the firm of Beech Hill Securities, Inc. as of December 31, 2021, is true and correct. I further swear (or affirm) that neither the company nor any partner, officer, director, or equivalent person, as the case may be, has any proprietary interest in any account classified solely as that of a customer.

Signature: [Signature]

Title: 2 25 2022

[Signature]  
Notary Public

DONNA FIORINI  
NOTARY PUBLIC-STATE OF NEW YORK  
No. 01FI6285480  
Qualified in Nassau County  
My Commission Expires 07-08-2025

## This filing\*\* contains (check all applicable boxes):

- ☒ (a) Statement of financial condition.
- ☒ (b) Notes to consolidated 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 cash flows.
- ☐ (e) Statement of changes in stockholders' or partners' or sole proprietor's equity.
- ☐ (f) Statement of changes in liabilities subordinated to claims of creditors.
- ☐ (g) Notes to consolidated financial statements.
- ☐ (h) Computation of net capital under 17 CFR 240.15c3-1 or 17 CFR 240.18a-1, as applicable.
- ☐ (i) Computation of tangible net worth under 17 CFR 240.18a-2.
- ☐ (j) Computation for determination of customer reserve requirements pursuant to Exhibit A to 17 CFR 240.15c3-3.
- ☐ (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 240.18a-4, as applicable.
- ☐ (l) Computation for Determination of PAB Requirements under Exhibit A to § 240.15c3-3.
- ☐ (m) Information relating to possession or control requirements for customers under 17 CFR 240.15c3-3.
- ☐ (n) Information relating to possession or control requirements for security-based swap customers under 17 CFR 240.15c3-3(p)(2) or 17 CFR 240.18a-4, as applicable.
- ☐ (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 240.18a-1, or 17 CFR 240.18a-2, as applicable, and the reserve requirements under 17 CFR 240.15c3-3 or 17 CFR 240.18a-4, as applicable, if material differences exist, or a statement that no material differences exist.
- ☐ (p) Summary of financial data for subsidiaries not consolidated in the statement of financial condition.
- ☒ (q) Oath or affirmation in accordance with 17 CFR 240.17a-5, 17 CFR 240.17a-12, or 17 CFR 240.18a-7, as applicable.
- ☐ (r) Compliance report in accordance with 17 CFR 240.17a-5 or 17 CFR 240.18a-7, as applicable.
- ☐ (s) Exemption report in accordance with 17 CFR 240.17a-5 or 17 CFR 240.18a-7, as applicable.
- ☒ (t) Independent public accountant's report based on an examination of the statement of financial condition.
- ☐ (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 240.18a-7, or 17 CFR 240.17a-12, as applicable.
- ☐ (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 240.18a-7, as applicable.
- ☐ (w) Independent public accountant's report based on a review of the exemption report under 17 CFR 240.17a-5 or 17 CFR 240.18a-7, as applicable.
- ☐ (x) Supplemental reports on applying agreed-upon procedures, in accordance with 17 CFR 240.15c3-1e or 17 CFR 240.17a-12, as applicable.
- ☐ (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).
- ☐ (z) Other: \_\_\_\_\_

\*\*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.

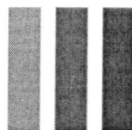
**BEECH HILL SECURITIES, INC.**

**FINANCIAL STATEMENTS  
AND SUPPLEMENTAL INFORMATION**

**DECEMBER 31, 2021**

**BEECH HILL SECURITIES, INC.**  
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**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Board of Directors  
Beech Hill Securities, Inc.

**Opinion on the Financial Statement**

We have audited the accompanying statement of financial condition of Beech Hill Securities, Inc. as of December 31, 2021, and the related notes (collectively referred to as the financial statement). In our opinion, the statement of financial condition presents fairly, in all material respects, the financial position of Beech Hill Securities, Inc. as of December 31, 2021 in conformity with accounting principles generally accepted in the United States of America.

**Basis for Opinion**

This financial statement is the responsibility of Beech Hill Securities, Inc.'s management. Our responsibility is to express an opinion on Beech Hill Securities, Inc.'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 Beech Hill 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 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 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.

*Gettry Marcus CPA, P.C.*

GETTRY MARCUS CPA, P.C.  
We have served as Beech Hill Securities, Inc.'s  
auditor since 2013.  
Melville, NY  
February 28, 2022

**BEECH HILL SECURITIES, INC.**  
**STATEMENT OF FINANCIAL CONDITION**  
**AS OF DECEMBER 31, 2021**

**ASSETS**

Cash and cash equivalents		\$ 1,253,949
Receivables from clearing organization		1,558,236
Securities owned, at fair value		275,402
Accounts receivable		1,559,243
Deposit with clearing broker		100,000
Prepaid expenses		134,693
Security deposits and other assets		30,000
 Furniture and office equipment	 \$ 1,236,149	
Leasehold improvements	124,342	
	<u>1,360,491</u>	
Less accumulated depreciation	(1,360,491)	
Total property and equipment		-
 Right-of-use asset - operating leases		 <u>770,708</u>
 Total assets		 <u><u>\$ 5,682,231</u></u>

**LIABILITIES AND STOCKHOLDERS' EQUITY**

<b>Liabilities</b>		
Accounts payable and accrued expenses		\$ 1,864,820
Commissions payable		364,192
Operating Lease Liability		770,708
Total liabilities before subordinated loans		<u>2,999,720</u>
 Subordinated loans		 <u>500,000</u>
Total liabilities		<u><u>3,499,720</u></u>
 Commitments and contingencies (Note 9)		
 <b>Stockholders' equity</b>		
Common stock - no par value; 200 shares authorized, 182 shares issued and outstanding		539,023
Retained earnings		1,643,488
Total stockholders' equity		<u><u>2,182,511</u></u>
 Total liabilities and stockholders' equity		 <u><u>\$ 5,682,231</u></u>

**BEECH HILL SECURITIES, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

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**NOTE 1: ORGANIZATION AND BUSINESS**

Beech Hill Securities, Inc. (the "Company") is a registered broker-dealer with the Securities and Exchange Commission ("SEC") and the Financial Industry Regulatory Authority ("FINRA"). The Company clears all of its customer transactions through a correspondent broker on a fully disclosed basis. The Company's main office is located in New York, New York.

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Basis of Accounting

The accompanying financial statements are prepared in accordance with accounting principles generally accepted in the United States of America.

Use of Estimates

The preparation 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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

The Company considers all highly-liquid financial instruments with maturities of three months or less when purchased to be cash equivalents.

Allowance for Doubtful Accounts

The Company assesses the financial strength of its customers. Periodically, the Company evaluates its accounts receivable and provides an allowance for doubtful accounts equal to the estimated uncollectible accounts. The Company's estimate is based on a review of the current status of the individual accounts receivable. As of December 31, 2021 there was no allowance for doubtful accounts as management believes that all receivables are fully realizable. It is reasonably possible that the Company's estimate of the provision for allowance for doubtful accounts will change.

Securities Owned

Proprietary securities transactions in regular-way trades are recorded on the trade date, as if they had settled. Profit and loss arising from all securities transactions entered into for the account and risk of the Company are recorded on a trade date basis. Securities are recorded at fair value.

Furniture, Equipment and Leasehold Improvements

Furniture, fixtures, office equipment and leasehold improvements are recorded at cost. Depreciation and amortization are provided on both the straight-line and accelerated methods over the shorter of the estimated useful lives of the respective assets or the lease term. Maintenance and repairs are charged to expenses as incurred while major renewals and betterments are capitalized.

When items of property and equipment are sold or retired, the cost and related accumulated depreciation and amortization are removed from the accounts and a gain or loss (if any) is included in earnings in the period of disposal.

BEECH HILL SECURITIES, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

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**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Treasury stock

Treasury stock represents shares of the Company's stock that have been reacquired from shareholders and that have not been retired. Treasury stock is recorded under the cost method and deducted from equity. 18 shares of treasury stock were retired in 2021.

Loan - U.S. SBA Paycheck Protection Program

The Company received proceeds in the amount of \$647,942 under the United States Small Business Administration ("U.S. SBA") Paycheck Protection Program ("PPP"). The PPP was established as part of the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"). The Company is accounting for the loan as a financial liability under FASB ASC 470. The Company applied and was granted forgiveness for the PPP loan. The forgiveness of the loan is reflected in other income.

Income Taxes

The Company elected to be treated as an S corporation pursuant to Section 1362 of the Internal Revenue Code. As a result of this election, the Company's net income or loss is reportable on the individual tax returns of its stockholders. A similar election was made for New York State tax purposes. The Company is subject to New York City corporate income taxes and the New York State corporate minimum tax.

Income and losses for tax purposes may differ from the financial statement amounts. Stockholders' equity reflected in the accompanying financial statements does not necessarily represent the stockholders' tax bases of their respective interests.

Accounting principles generally accepted in the United States of America requires management to evaluate tax positions taken by the Company and recognize a tax liability (or asset) if it has taken an uncertain position that more likely than not would not be sustained upon examination based on its technical merits. Management has analyzed the tax positions taken by the Company and has determined that there are no uncertain positions taken or expected to be taken that would require recognition of a liability or asset or disclosure in the financial statements.

The Company is subject to routine audits by taxing jurisdictions. Management believes that the Company's federal, New York State, and New York City income tax returns prior to 2018 are no longer subject to examination, based on the normal statutory periods subject to audit, notwithstanding any events or circumstances that may exist, which could expand the open period.

The Company's New York State S-Corporation returns are under audit for the tax years ending December 31, 2017 through December 31, 2019. The Audit is ongoing. The Company has accrued for any potential known liabilities but such amounts are not material.

The Company recognizes interest and penalties associated with tax matters, if applicable, as part of other expenses and includes accrued interest and penalties in accrued expenses in the statement of financial condition.

Subsequent Events

The Company has evaluated subsequent events through February 28, 2022, the date the financial statements were available to be issued.



**BEECH HILL SECURITIES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 3: RECEIVABLES FROM CLEARING ORGANIZATION**

Receivables from the Company's clearing organization at December 31, 2021 consists of \$1,558,236 of net proceeds received from trading activities and commissions.

**NOTE 4: FURNITURE, EQUIPMENT AND LEASEHOLD IMPROVEMENTS**

The following table shows the balances of major classes of furniture, equipment and leasehold improvements, their estimated useful lives, and the accumulated depreciation and amortization for each class at December 31, 2021:

Equipment and software	3 to 5 years	\$	850,500
Furniture	5 years		385,649
Leasehold improvements	Shorter of lease term and estimated useful life		<u>124,342</u>
			1,360,491
Less – Accumulated depreciation and amortization			<u>(1,360,491)</u>
		\$	<u>-</u>

**NOTE 5: SUBORDINATED BORROWINGS**

The Company has borrowings of \$500,000 subject to subordination agreements, which are more fully described as follows:

<u>Description</u>	<u>Effective</u>	<u>Maturity</u>	<u>Rate</u>	<u>Balance Due</u>
Note payable to non stockholder	January 1, 2014	December 31, 2022 (Executed annual auto renewal)	3%	\$ 100,000
Note payable to non stockholder	October 24, 2012	December 31, 2022 (Executed annual auto renewal)	3%	100,000
Note payable to non stockholder	September 14, 2018	September 14, 2022	3%	100,000
Note payable to stockholder	December 29, 2021	December 30, 2024	7.5%	<u>200,000</u>
				<u>\$ 500,000</u>

Interest expense incurred on the loans for the year ended December 31, 2021 amounted to \$11,750. The subordinated borrowings were included in the computation of net capital under the SEC's Uniform Net Capital Rule. To the extent that such borrowings are required for the Company's continued compliance with minimum net capital requirements, they cannot be repaid.

BEECH HILL SECURITIES, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

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**NOTE 6: FAIR VALUE MEASUREMENTS**

Accounting standards define fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). Fair value is a market-based measurement that should be determined based on the assumptions market participants would use in pricing the asset or liability. As a basis for considering market participant assumptions in fair value measurements, a fair value hierarchy distinguishes between (1) market participant assumptions developed based on market data obtained from sources independent of the reporting entity (observable inputs) and (2) the reporting entity's own assumptions about market participant assumptions developed based on the best information available in the circumstances (unobservable inputs). Valuation techniques used to measure fair value shall maximize the use of observable inputs and minimize the use of unobservable inputs.

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels, as follows:

Level 1: Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. An active market for the asset or liability is a market in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2: Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. If the asset or liability has a specified (contractual) term, a Level 2 input must be observable for substantially the full term of the asset or liability. Level 2 inputs include:

- Quoted prices for similar assets or liabilities in active markets
- Quoted prices for identical or similar assets or liabilities in markets that are not active
- Inputs other than quoted prices that are observable for the asset or liability
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3: Level 3 inputs are unobservable inputs for the asset or liability. Unobservable inputs are used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. Unobservable inputs reflect the reporting entity's own assumptions about the assumptions that market participants would use in pricing the asset or liability (including assumptions about risk). Unobservable inputs are developed based on the best information available in the circumstances, which might include the reporting entity's own data. However, market participant assumptions cannot be ignored and, accordingly, the reporting entity's own data used to develop unobservable inputs are adjusted if information is reasonably available without undue cost and effort indicating that market participants would use different assumptions.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs.

The following table presents the Company's assets and liabilities measured at fair value as of December 31, 2021:

<u>Securities Owned:</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Municipal Securities	\$ -	\$ 275,402	\$ -	\$ 275,402
Total assets	<u>\$ -</u>	<u>\$ 275,402</u>	<u>\$ -</u>	<u>\$ 275,402</u>

**BEECH HILL SECURITIES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

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**NOTE 6: FAIR VALUE MEASUREMENTS** (Continued)

Municipal securities are normally valued using a model that incorporates market observable data, such as reported sales of similar securities, broker quotes, yields, bids, offers and reference data. Certain securities are valued principally using dealer quotations. Due to the reliance on some unobservable inputs, the Company has classified its municipal securities as Level 2 on the hierarchy. The Company has included \$275,402 of municipal securities within its securities owned account.

**NOTE 7: LEASES**

The Company occupies office space under a long-term lease which expires February 29, 2024. Under the terms of the lease, the base rent is subject to escalations for increases in real estate taxes and operating costs. Certain principals of the Company have guaranteed payments required under the lease obligation. Pursuant to this lease, the Company maintains a rent security deposit in the amount of \$30,000, which is reflected in the other assets in the statement of financial condition.

The Company applies the provisions of ASC 842, *Leases*. The office lease is classified as an operating lease. The lease expense was \$331,190 for the year ended December 31, 2021 and is included in occupancy and related costs in the statement of income. In determining the right of use asset and related lease liability, the Company has not included any renewal options. Additionally, there are no residual value guarantees that the Company is subject to, and the lease does not provide any restrictions or covenants.

In applying the provisions of ASC 842, the Company has elected to exclude any leases with an original term of 12 months or less, or which had less than 12 months remaining on the lease term at the beginning of the year. There were no short term lease expenses for the year ended December 31, 2021.

The Company also subleases a portion of its facilities to other parties, which resulted in sublease income of \$246,000. Two of those leases are long-term and require fixed monthly rental payments through December 31, 2021 while the remaining leases are extended through 2024.

Future minimum commitments under the above long-term leases, including sub-lease income, are as follows as of December 31, 2021:

For the years ended December 31:	Minimum lease commitments	Sublease income
2022	\$ 370,250	\$ 132,000
2023	370,250	132,000
2024	<u>61,708</u>	<u>22,000</u>
	802,208	<u>\$ 286,000</u>
Less effects of discounting	<u>(31,500)</u>	
Lease Liability recognized	<u>\$ 770,708</u>	

Because management generally does not have access to the rate implicit in the lease, the Company utilized its incremental borrowing rate as the discount rate. Management estimated this rate, which is the interest rate the Company could borrow the amount of the initial lease liability to purchase a similar collateralized asset on the date of the lease inception, to be 4.5%.

**BEECH HILL SECURITIES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

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**NOTE 8: RISKS AND UNCERTAINTIES**

Substantially all of the Company's cash and securities positions are held by a custodian broker. The Company has not sustained losses on its cash positions held with its custodian broker and believes its risk is further mitigated by the fact that the broker is highly capitalized and is also a member of major security exchanges.

Although the Company clears its customer transactions through another broker/dealer, nonperformance by its customers in fulfilling their contractual obligations pursuant to securities transactions may expose the Company to risk and potential loss. The Company has a policy of reviewing, as considered necessary, the credit standing of each customer with which it conducts business.

The Company is involved, from time to time, in proceedings with and investigations by, governmental agencies and self-regulatory organizations.

The coronavirus pandemic has adversely impacted the United States and many other parts of the world. Although significant restrictions were placed on many businesses, the Company has not experienced a material reduction in revenue during year ended December 31, 2021. The extent of future impacts of the pandemic will depend on the nature of and emergence of additional variants and other pandemic-related developments, all of which are uncertain and cannot be predicted.

**NOTE 9: COMMITMENTS AND CONTINGENCIES**

From time to time, Beech Hill Securities, Inc. becomes involved in various claims, suits, investigations, and legal proceedings that arise in the ordinary course of its business. As required by FASB ASC 450, *Accounting for Contingencies*, the Company accrues a liability when it believes that it is both probable that a liability has been incurred and that it can reasonably estimate the amount of the loss.

**NOTE 10: WARRANTS**

From time to time, the Company is party to investment banking transactions where the Company may receive warrants of issuing parties as part of its compensation. However, the Company also assigns these warrants to third parties and, accordingly, any value ascribed to the warrants is offset by a liability due to the third party. No assets or liabilities are reflected in the financial statements for these warrants as the value of warrants held by the Company are immaterial.

**NOTE 11: NET CAPITAL**

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. At December 31, 2021, the Company has net capital of \$2,286,839, which is \$2,036,839 in excess of its required net capital of \$250,000. The Company has elected to calculate the net capital under the alternative method.