

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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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: **New York Life Distributors LLC**

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

**30 Hudson Street**

OFFICIAL USE ONLY

FIRM I.D. NO.

(No. and Street) (City) (State) (Zip Code)  
Jersey City NJ 07738  
(City) (State) (Zip Code)

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

Marta Hansen

201-685-6215

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

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

**Price Waterhouse Cooper LLP**

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

**300 Madison Avenue** **New York** **NY** **10017**  
(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)

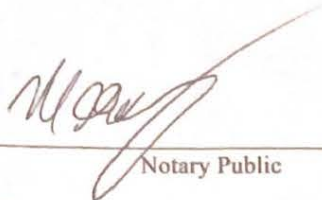
## OATH OR AFFIRMATION

I, Marta Hansen, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of New York Life Distributors 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:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

  
\_\_\_\_\_  
Notary Public

  
\_\_\_\_\_  
Signature  
Chief Financial Officer  
Title

MICHAEL J. GUINEY  
NOTARY PUBLIC OF NEW JERSEY  
Commission # 50103931  
My Commission Expires 4/26/2024

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).**

# **NYLIFE Distributors LLC**

(An affiliate of New York Life Insurance Company)

## **Statement of Financial Condition**

**December 31, 2020**

**NYLIFE Distributors LLC**  
(An affiliate of New York Life Insurance Company)  
**Index**  
**Year Ended December 31, 2020**

*(In Thousands)*

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## **Report of Independent Registered Public Accounting Firm**

To the Board of Managers and Member of NYLIFE Distributors LLC

### ***Opinion on the Financial Statement – Statement of Financial Condition***

We have audited the accompanying statement of financial condition of NYLIFE Distributors LLC (the “Company”) as of December 31, 2020, including the related notes (collectively referred to as the “financial statement”). In our opinion, the financial statement presents fairly, in all material respects, the financial position of the Company as of December 31, 2020 in conformity with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion***

The 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 of this financial statement 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.

*PricewaterhouseCoopers LLP*

New York, NY  
February 26, 2021

We have served as the Company’s auditor since at least 2001. We have not determined the specific year we began serving as auditor of the Company.

**NYLIFE Distributors LLC**  
**(An affiliate of New York Life Insurance Company)**  
**Statement of Financial Condition**  
**Year Ended December 31, 2020**

*(In Thousands)*

**Assets**

Cash and cash equivalents	\$	4,057
Investments in affiliated mutual funds - at fair value		22,088
Receivable from affiliated mutual funds		10,916
Receivable from affiliates		730
Federal income taxes receivable to New York Life Insurance Company		280
Other assets		854
Deferred distribution costs, net of accumulated amortization of \$8,723		1,564
Total assets	\$	40,489

**Liabilities and Member's Equity**

Payable to affiliates	\$	13,777
Accounts payable and accrued liabilities		9,539
Deferred tax liability		111
Total liabilities		23,427
Member's equity		17,062
Total liabilities and member's equity	\$	40,489

The accompanying notes are an integral part of this financial statement

**NYLIFE Distributors LLC**  
**(An affiliate of New York Life Insurance Company)**  
**Notes to Statement of Financial Condition**  
**Year Ended December 31, 2020**

*(In Thousands)*

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**1. Organization and Business**

NYLIFE Distributors LLC (the “Company”) is a Delaware limited liability company and a wholly owned subsidiary of New York Life Investment Management Holdings LLC (“Holdings”), which is a wholly owned subsidiary of New York Life Insurance Company (“NYLIC”). The Company is registered with the Securities and Exchange Commission (the “SEC”) as a broker-dealer and is a member of the Financial Industry Regulatory Authority (“FINRA”). The Company is a member of the Securities Investor Protection Corporation as a requirement of its membership with FINRA.

The Company acts as principal underwriter and agent for the distribution and sale of shares of a number of affiliated mutual funds including the MainStay Funds, MainStay VP Funds Trust, the MainStay Funds Trust (collectively the “Funds”) and unaffiliated funds. It also serves in a similar capacity with regard to variable life and annuity contracts issued by an affiliated insurance company. The Company does not carry customer accounts or effect customer transactions and does not accept any customer funds or securities for deposit into any of the Company's accounts.

The Company does not claim an exemption under paragraph (k) of 17 C.F.R. § 240.15c3-3, it files an exemption 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) proprietary trading; (2) mutual fund underwriter or sponsor; (3) mutual fund retailer; (4) broker dealer selling variable life insurance or annuities (5) private placement of securities; (6) distributor of funds traded on the securities exchanges; and (7) broker or dealer of municipal security funds; and the Company (1) did not directly or indirectly receive, hold, or otherwise owe funds or securities for or to customers; (2) did not carry accounts of or for customers; and (3) did not carry PAB accounts (as defined in Rule 15c3-3).

The Company earns distribution and/or service fees, redemption fees, and concessions, pursuant to the terms of various agreements with the Funds. As the distributor of these Funds, the Company has entered into agreements under which certain funds have adopted Plans of Distribution (the “12b-1 Plans”) pursuant to Rule 12b-1 under the Investment Company Act of 1940. The 12b-1 Plans are required to be approved annually by Trustees of the funds and are created based on FINRA and SEC rules.

**2. Basis of Presentation**

The accompanying Statement of Financial Condition have been prepared in conformity with accounting principles generally accepted in the United States of America (“GAAP”).

For the summary of other significant accounting policies, see Note 3 – Summary of Significant Accounting Policies.

**3. Summary of Significant Accounting Policies**

**Use of Estimates**

The preparation of Statement of Financial Condition in accordance with GAAP 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 Statement of Financial Condition. Actual results could materially differ from those estimates.

**NYLIFE Distributors LLC**  
**(An affiliate of New York Life Insurance Company)**  
**Notes to Statement of Financial Condition**  
**Year Ended December 31, 2020**

*(In Thousands)*

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**Cash and Cash Equivalents**

Cash includes cash at bank. As of December 31, 2020, there were no cash equivalents outstanding. Cash equivalents are discussed in Note 5 – Fair Value Measurements.

**Investments**

The Company's investments in affiliated mutual funds are carried at fair value. The fair value of a financial instrument is 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.

Shares of affiliated mutual funds are valued at the closing quoted price, which represent the net asset value of shares held by the Company at year end.

Purchases and sales of securities are recorded on trade date. For a discussion on valuation methods, refer to Note 5 – Fair Value Measurements. The Company holds these investments long term and does not turn over the shares in these portfolios. The Company uses such securities as investment vehicles for its excess capital.

**Deferred Distribution Costs**

Commissions paid to third-party broker dealers in connection with the sales of shares of Class B and Class C affiliated mutual funds are capitalized as deferred distribution costs, and amortized on a straight-line basis over a six, four, or one-year period, representing the periods during which commissions are generally recovered from redemption fees or Contingent Deferred Sales Charges ("CDSC") and 12b-1 fees. Class B shares are no longer available to new shareholders but are still available to current shareholders. The deferred distribution costs were evaluated for recoverability at December 31, 2020. The Company's analysis indicated that no impairment had occurred, and as a result, no change to the carrying amount was required. Deferral of the sales commissions are included in Deferred distribution costs in the accompanying Statement of Financial Condition.

**Other Assets**

Other assets consist primarily of payments made to FINRA for registered representative licensing fees and to SS&C Technologies, Inc. for prepaid commissions expense.

**Income Taxes**

For U.S. federal income tax purposes, the Company is treated as a limited liability company whose federal taxable income or loss flows through NYLIC and is included in the group's U.S. federal consolidated income tax return. The consolidated income tax provision or benefit is allocated among the members of the group in accordance with a tax allocation agreement. The tax allocation agreement provides that the Company computes its income tax provision or benefit, in general, on a separate company basis and may, where applicable, include the tax benefits of operating or capital losses utilizable in NYLIC's consolidated returns. Intercompany tax balances are generally settled quarterly on an estimated basis with a final settlement within 30 days of the filing of the consolidated return. Current federal income taxes are charged or credited to operations based upon amounts estimated to be payable or recoverable as a result of taxable operations for the current year and any adjustments to such estimates from prior years.

State and local tax returns are generally filed separately. In those cases where the Company's results are included with NYLIC's state tax filings, the Company is charged or credited for state taxes paid by NYLIC only to the extent that the Company's income/loss increases or reduces NYLIC's state tax liability. However, in years where NYLIC's own income level requires it to pay a flat state tax and the Company's income/loss



**NYLIFE Distributors LLC**  
**(An affiliate of New York Life Insurance Company)**  
**Notes to Statement of Financial Condition**  
**Year Ended December 31, 2020**

*(In Thousands)*

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does not affect NYLIC's state tax liability, no state tax liability or benefit is allocated to the Company pursuant to the tax allocation agreement.

Deferred federal income tax assets and liabilities are recognized for expected future tax consequences of temporary differences between GAAP and taxable income. Temporary differences are identified and measured using a balance sheet approach whereby GAAP and tax balance sheets are compared. Deferred income taxes are generally recognized based on enacted tax rates, and a valuation allowance is recorded if it is more likely than not any portion of the deferred tax asset will not be realized.

In accordance with the authoritative guidance related to income taxes, the Company determines whether it is more likely than not that a tax position will be sustained upon examination by the appropriate tax authorities before any part of the benefit can be recorded in the Statement of Financial Condition. The amount of tax benefit recognized for an uncertain tax position is the largest amount of benefit that is greater than fifty percent likely of being realized upon settlement. Unrecognized tax benefits are included within other liabilities and are charged to earnings in the period that such determination is made. The Company classifies interest and penalties related to tax uncertainties as income tax expense.

**Guarantees**

In the normal course of business, the Company enters into contracts that contain a variety of representations, warranties and indemnification provisions. The Company's maximum exposure under these arrangements is unknown and includes potential future claims that may be made against the Company. However, based on experience, the Company expects the risk of loss to be remote. As of December 31, 2020, there have been no liabilities related to guarantees or any payouts made related to such guarantees.

**Leases**

In February 2016, the FASB issued updated guidance on accounting for leases which requires lessees to recognize almost all leases on the balance sheet as a right-of-use asset and a lease liability. For leases with a term of 12 months or less, a lessee is permitted to make an accounting policy election not to recognize lease assets and lease liabilities rather to recognize lease expense on a straight-line basis over the term of the lease. The recognition, measurement, and presentation of expenses and cash flows arising from a lease have not significantly changed. Also, fundamental changes were not made to the lessor accounting. The Company adopted the guidance on January 1, 2019 using a modified retrospective approach. The adoption of this guidance did not have an impact on the Statement of Financial Condition, as no arrangements were identified that met the definition of a lease under ASC 842 Leases.

**Recent Accounting Pronouncements Adopted in the Current Year**

In June 2016, the FASB issued updated guidance for recognizing credit losses on certain financial instruments based on an estimate of current expected credit losses. Entities will be required to estimate lifetime expected credit losses based on an asset's amortized cost that reflects losses expected over the remaining contractual life of an asset. The estimate of current expected credit losses ("CECL") should consider historical information, current information, and reasonable and supportable forecasts of future events and circumstances, as well as estimates of prepayments. This includes the risk of loss, even when that risk is remote. The guidance also modifies existing other-than-temporary impairment guidance for available-for-sale debt securities to require the use of an allowance rather than a direct write down of the investment and replaces existing guidance for purchased credit deteriorated loans and debt securities. The Company adopted the guidance on January 1, 2020. As of December 31, 2020, the Company had receivables from affiliated mutual funds related to distribution fees, service fees, CDSC, and initial sales charges. The Company also had receivables from affiliates under common control which are out of scope

**NYLIFE Distributors LLC**  
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**Year Ended December 31, 2020**

*(In Thousands)*

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from the CECL standard. The Company generally does not hold any allowance for credit losses against these receivables because of their short-term nature, the remote probability of default by the counter party, the presence of other credit protections in an event of default, or a policy for timely write off. Therefore, the adoption of this guidance in 2020 did not have a material impact on the Company's financial position or results of operations.

**4. Business Risks and Uncertainties**

The novel coronavirus ("COVID-19") pandemic continues to spread in the United States and throughout the world and has created and may continue to create extreme stress and disruption in the global economy and financial markets. The ultimate extent of the impact will depend on numerous factors, all of which are highly uncertain and cannot be predicted. These factors include the length and severity of the outbreak, including the impact of new variants of the virus and the efficacy of vaccines and therapeutic treatments in combating the virus, the effectiveness of responses to the pandemic taken by governments and private sector businesses, and the impacts on the Company's customers and vendors. The Company continues to monitor the economic environment and other potential impacts relating to the COVID-19 pandemic and believes it is well positioned to continue to meet its regulatory and capital requirements.

Volatile markets may adversely affect sales of affiliated mutual funds and cause potential investors of the funds to refrain from new or additional investments and may cause current investors to withdraw from the market or reduce their rates of ongoing investment. Revenues of the Company are to a large extent based on fees related to the value of shareholder investments in affiliated mutual funds. Consequently, poor market performance may impact fee revenues and could impact the carrying value of certain assets.

The Company relies on technology systems and solutions to conduct business and to retain, store and manage confidential information. The failure of the Company's technology systems and solutions, or those of a third-party, for any reason has the potential to disrupt its operations, result in the loss of customer business, damage the Company's reputation, and expose the Company to litigation and regulatory action, all of which could adversely impact its profitability.

Changes in the regulatory environment may also adversely affect sales of mutual funds.

The Company is subject to concentration credit risk when its cash deposits at a financial institution exceed the Federal Deposit Insurance Corporation ("FDIC") insurance of \$250. At December 31, 2020 the Company had \$3,807 in deposits in excess of the FDIC insured limit.

**5. Fair Value Measurements**

Fair value is defined 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. The Company's assets and liabilities recorded at fair value are measured and classified in accordance with a fair value hierarchy consisting of three levels based on the observability of the inputs used in measuring the fair value. The level is determined based on the lowest level input that is significant to the fair value measurement.

The three levels of the fair value hierarchy based on the inputs to the valuation are as follows:

- |         |  |
|---------|--|
| Level 1 | Fair value is based on unadjusted quoted prices for identical assets or liabilities in an active market. Active markets are defined as markets in which many transactions occur with sufficient frequency and volume to provide pricing information on an ongoing basis. |
|---------|--|

**NYLIFE Distributors LLC**  
**(An affiliate of New York Life Insurance Company)**  
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**Year Ended December 31, 2020**

*(In Thousands)*

- Level 2 Fair value is based on observable inputs, other than Level 1 inputs, such as quoted prices in active markets for similar assets or liabilities, quoted prices in markets that are not active for identical or similar assets, or other model driven inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities. Valuations are generally obtained from third-party pricing services for identical or comparable assets or liabilities or through the use of valuation methodologies using observable market inputs.
- Level 3 Instruments whose values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. These inputs reflect management's own assumptions in pricing the asset or liability.

**Determination of Fair Values**

The Company has an established process for determining fair value. Security pricing is applied using a hierarchy approach whereby publicly available prices are first sought from third-party pricing services. The Company has investments in affiliated mutual funds which are priced daily with a publicly available quoted price.

The following table represents the balances of assets measured at fair value on a recurring basis as of December 31, 2020:

	Quoted Prices in Active Markets for Identical Assets Level 1	Significant Observable Inputs Level 2	Significant Unobservable Inputs Level 3	Total
Affiliated mutual funds*	\$ 22,088	\$ -	\$ -	\$ 22,088
Total assets accounted for at fair value on a recurring basis	\$ 22,088	\$ -	\$ -	\$ 22,088

The following is a description of the valuation methodologies used to determine the fair value, as well as the general classification of such instruments pursuant to the valuation hierarchy.

**Affiliated Mutual Funds**

Mutual Funds are classified as Level 1. The Company has investments in affiliated mutual funds which are priced daily with a publicly available quoted price.

**Cash Equivalents**

Cash equivalents are typically comprised of U.S Treasury bills. These instruments are typically classified as Level 2 because they are generally not traded in active markets, however, their fair value is based on observable inputs. The prices are either obtained from a pricing vendor, or amortized cost is used as the carrying value approximates fair value. As of December 31, 2020, there were no cash equivalents outstanding.

**Transfers Between Levels**

During the year ended December 31, 2020, there were no transfers between Levels 1 and 2. There were no Level 3 assets or liabilities during the year and no transfers into or out of Level 3 during the year. These transfers are assessed at the beginning of each year.

**NYLIFE Distributors LLC**  
**(An affiliate of New York Life Insurance Company)**  
**Notes to Statement of Financial Condition**  
**Year Ended December 31, 2020**

*(In Thousands)*

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**Non-recurring Fair Value Measurements**

The Company may be required, from time to time, to measure certain other assets at fair value on a non-recurring basis in accordance with GAAP. At December 31, 2020, the Company did not have any assets measured at fair value on a non-recurring basis.

**6. Related Party Transactions**

The Company continues to be dependent on funding from Holdings to finance its various operations. Funds received have been recorded as capital contributions on the Statement of Changes in Member's Equity. A 13-month capital contribution commitment in the amount of \$75,000 was approved by New York Life Insurance Company, being the Sole Member of New York Life Management Holdings LLC, on December 2, 2020 covering the period from February 1, 2021 through March 1, 2022.

The Company is party to service agreements with NYLIC and New York Life Investment Management LLC ("NYL Investments"), a wholly owned subsidiary of Holdings, whereby NYLIC and NYL Investments provide services, including personnel, office, legal, accounting, administrative and other services for which the Company is charged. The Company is charged for these services based upon (a) actual costs incurred, where they are separately identifiable and (b) allocation of costs incurred by NYLIC or NYL Investments developed principally through analyses of time spent on matters relating to the Company, and/or other reasonable and consistently applied basis. Accrued expenses associated with these agreements were \$7,565 and are included in Payable to affiliates in the accompanying Statement of Financial Condition.

The Company earns distribution, service and redemption fees, which are described below, pursuant to the terms of various agreements with the Funds, and unaffiliated funds. As distributor of the Funds, the Company has entered into various agreements under which certain Funds have adopted Plans of Distribution (the "Plans") pursuant to Rule 12b-1 under the Investment Company Act of 1940. The Plans are required to be approved annually by Trustees of the funds.

The Company receives a distribution fee at either an annualized rate of 0.75% or 0.25% of the monthly average daily net asset value of certain share classes of certain funds under each of the Plans. At December 31, 2020, amounts receivable under these agreements were \$1,349 and are included in Receivable from affiliated mutual funds in the accompanying Statement of Financial Condition.

The Company also receives a service fee at the annualized rate of 0.25% of the monthly average daily net assets of certain share classes of certain mutual funds as compensation for services rendered to fund shareholders and the maintenance of shareholder accounts. At December 31, 2020, amounts receivable under these agreements were \$5,057 and are included in Receivable from affiliated mutual funds in the accompanying Statement of Financial Condition.

The Company receives an initial sales charge on sales of certain fund shares subject to rates that decline from 5.5% to 0% of the offering price depending on the size of the investment. These rates are specified in the prospectus at the time of sale. At December 31, 2020, amounts receivable under these agreements were \$305.

The Company has a variable product distribution agreement with New York Life Insurance Company and Annuity Corporation ("NYLIAC"), an indirect wholly owned insurance company subsidiary of NYLIC, granting Distributors the exclusive right to distribute and to be the underwriter and/or agent of the Company's variable product policies. The Company receives a service fee at the annualized rate of 0.25% of the monthly average daily net assets of the VP Funds. The VP Funds are an investment option for certain variable annuity and variable life insurance products issued by NYLIAC.

**NYLIFE Distributors LLC**  
(An affiliate of New York Life Insurance Company)  
Notes to Statement of Financial Condition  
**Year Ended December 31, 2020**

*(In Thousands)*

Pursuant to a service agreement, the Company pays service fees to NYLIAC for servicing shareholder accounts. At December 31, 2020, the amounts receivable from affiliated mutual funds for service fees income and service fees expense payable to NYLIAC were \$4,004 in the accompanying Statement of Financial Condition.

In connection with agreements with certain financial intermediaries, the Company receives from NYLIM Services, a reimbursement of sub-transfer agent fees attributable to that portion of the transfer agent fees charged to the funds by NYLIM Services, which are related to the portion of such administrative services provided by the financial intermediaries. The Company in connection with these agreements recorded a receivable of \$639 at December 31, 2020, which is included in Receivable from affiliates on the accompanying Statement of Financial Condition.

In accordance with the terms of agreements with MacKay Shields LLC ("MacKay") and affiliates, the Company pays for support and consulting services regarding the introduction of assets to be managed by either an affiliated or unaffiliated investment management company and receives marketing support services. At December 31, 2020, the Company recorded a receivable from MacKay for \$91 and is included in Receivable from affiliates.

NYLIFE Securities LLC ("Securities"), an affiliate, and the Company entered into a soliciting dealer agreement whereby the Company receives concession revenue and pays Securities commissions from the distribution of the Funds' shares by registered representatives of Securities. For the year ended December 31, 2020, the Company accrued a payable for commissions of \$2,208, which is included in Payable to affiliates in the accompanying Statement of Financial Condition. At December 31, 2020, the Company capitalized \$144 of these commissions on Class B and C shares, net of accumulated amortization in the accompanying Statement of Financial Condition.

A summary of the components of the related party transactions for the year ended December 31, 2020, included in the accompanying Statement of Financial Condition are as follows:

**Payable to affiliates**

New York Life Investment Management LLC	\$	7,104
New York Life Insurance and Annuity Corporation		4,004
NYLIFE Securities LLC		2,208
New York Life Insurance Company		461
Total	\$	<u>13,777</u>

**Receivable from affiliates**

MainStay Funds	\$	10,916
NYLIM Service Company		639
MacKay Shields LLC		91
Total	\$	<u>11,646</u>

**NYLIFE Distributors LLC**  
(An affiliate of New York Life Insurance Company)  
Notes to Statement of Financial Condition  
**Year Ended December 31, 2020**

(In Thousands)

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**7. Taxes**

Pursuant to the tax allocation agreement (see Note 3 – Summary of Significant Accounting Policies), as of December 31, 2020 the Company recorded a net income tax receivable from NYLIC of \$280.

Deferred income taxes are generally recognized, based on enacted tax rates, when assets and liabilities have different values for financial statement and tax purposes. The Company's management has concluded that the deferred tax assets are more likely than not to be realized. Therefore, no valuation allowance has been provided.

The components of the net deferred tax asset / (liability) reported as of December 31, 2020 are attributable to the following temporary differences:

	<b>2020</b>
<b>Deferred tax liabilities</b>	
Deferred distribution costs - B Shares	\$ (69)
Unrealized Investment gain	(42)
	<hr/>
Gross deferred tax liability	\$ (111)
	<hr/>
Net deferred income tax asset / (liability)	\$ (111)

As of December 31, 2020, the Company has no federal net operating or capital loss carryforwards.

As a member of NYLIC's consolidated group, the Company's federal income tax returns are routinely audited by the Internal Revenue Service and provisions are made in the Statement of Financial Condition in anticipation of the results of these audits. The IRS has completed audits through 2010 and tax years 2011 through 2013 are currently under examination with the IRS. There were no material effects on the Company's Statements of Operations as a result of these audits.

On March 27, 2020, the Coronavirus Aid, Relief, and Economics Security Act (the "CARES Act") was enacted into law. Enactment of the CARES Act did not have a financial impact on the Company.

The Company did not have any uncertain tax positions as of December 31, 2020.

**8. Net Capital Requirements**

The Company is subject to the Uniform Net Capital Rule ("Rule 15c3-1") under the Securities Exchange Act of 1934, which requires the maintenance of minimum net capital. The Company has elected to compute its net capital requirement in accordance with the Alternative Method permitted by the rule. This method requires the maintenance of minimum net capital, as defined, of the greater of 2% of aggregate debit items arising from customer transactions or \$250. At December 31, 2020, the Company had net capital, as defined under such rules, of \$5,336 which was \$5,086 in excess of its required net capital of \$250.

**NYLIFE Distributors LLC**  
**(An affiliate of New York Life Insurance Company)**  
**Notes to Statement of Financial Condition**  
**Year Ended December 31, 2020**

*(In Thousands)*

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**9. Commitments or Contingencies**

Commitments and contingencies were evaluated through February 26, 2021, the date the Statement of Financial Condition were available to be issued. The Company has concluded that there are no commitments or contingencies events requiring financial statement disclosure.

**10. Subsequent Events**

Subsequent events were evaluated through February 26, 2021, the date the Statement of Financial Condition were available to be issued. The Company received capital contributions on January 15, 2021 in the amount of \$6,000 and \$15,000 on February 2, 2021. The Company continues to be dependent on funding from Holdings to finance its various operations. For more information on capital contributions, see Note 6 – Related Party Transactions.