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

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

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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 01/01/05 AND ENDING 12/31/05

SECURITIES AND EXCHANGE COMMISSION  
RECEIVED

MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER:

Beach Securities Corporation

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box)

767 Third Avenue, Suite 8A

FEB 9 2006  
BRANCH OF REGISTRATIONS  
AND  
EXCHANGES

OFFICIAL USE ONLY

FIRM ID. NO.

(No. and Street)

New York

NY

10017

(City)

(State)

(Zip Code)

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

Vincent J. Brando

(212) 888-4300

(Area Code- Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

Goldstein Golub Kessler LLP

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

1185 Avenue of the Americas,

New York,

NY

10036

(Address)

(City)

(State)

(Zip Code)

PROCESSED

MAR 13 2006

THOMSON  
FINANCIAL

**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).

SEC 1410 (06-02)

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Handwritten signature and date: 3/9/06

OATH OR AFFIRMATION

I, Barry Lafer swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Beach Securities Corporation, as of December 31, 2005, 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:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Barry Lafer  
Signature  
PRESIDENT  
Title

Zenia Ruiz  
Notary Public  
**ZENIA RUIZ**  
Notary Public, State of New York  
NO. 01RU6045542  
Qualified in New York County  
Commission Expires July 31, 2006

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

- (a) Facing Page.
- (b) Statement of Financial Condition.
- (c) Statement of Operations.
- (d) Statement of Cash Flow.
- (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietor's 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).



# GOLDSTEIN GOLUB KESSLER LLP

Certified Public Accountants and Consultants



## INDEPENDENT AUDITOR'S REPORT

To the Shareholders of  
Beach Securities Corporation

We have audited the accompanying statement of financial condition of Beach Securities Corporation (the "Company") as of December 31, 2005. This financial statement is the responsibility of the Company's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement of financial condition is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement of financial condition. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall statement of financial condition presentation. We believe that our audit of the statement of financial condition provides a reasonable basis for our opinion.

In our opinion, the statement of financial condition referred to above presents fairly, in all material respects, the financial position of Beach Securities Corporation as of December 31, 2005, in conformity with accounting principles generally accepted in the United States of America.

*Goldstein Golub Kessler LLP*

**GOLDSTEIN GOLUB KESSLER LLP**

January 24, 2006

1185 Avenue of the Americas Suite 500 New York, NY 10036-2602  
TEL 212 372 1800 FAX 212 372 1801 [www.ggkllp.com](http://www.ggkllp.com)

NEXIA INTERNATIONAL IS A WORLDWIDE NETWORK OF INDEPENDENT ACCOUNTING AND CONSULTING FIRMS

# BEACH SECURITIES CORPORATION

## STATEMENT OF FINANCIAL CONDITION

December 31, 2005

### ASSETS

Cash (Notes 2 and 3)	\$714,675
Receivable from Clearing Broker (Note 4)	67,906
Other Assets	18,364
<b>Total Assets</b>	<b>\$800,945</b>

### LIABILITIES AND SHAREHOLDERS' EQUITY

Accrued Expenses	\$391,340
<b>Total liabilities</b>	<b>391,340</b>

#### Shareholders' Equity:

Common stock - no par value; authorized, issued and outstanding 100 shares	40,000
Additional paid-in capital	120,000
Retained earnings	249,605
<b>Shareholders' equity</b>	<b>409,605</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$800,945</b>

See Notes to Statement of Financial Condition

# BEACH SECURITIES CORPORATION

## NOTES TO STATEMENT OF FINANCIAL CONDITION December 31, 2005

- 1. BUSINESS AND ORGANIZATION:** Beach Securities Corporation (the "Company") is a broker-dealer registered with the Securities and Exchange Commission (the "SEC") and the National Association of Securities Dealers, Inc. The Company acts as an introducing broker for an affiliated partnership, Lafer Equity Investors, L.P. (the "Partnership"), and introduces all customers on a fully disclosed basis through Pershing LLC (the "Clearing Broker").
- 2. SIGNIFICANT ACCOUNTING POLICIES:** The statement of financial condition has been prepared in conformity with accounting principles generally accepted in the United States of America which require the use of estimates by management.

Cash and cash equivalents consist of cash in banks and money market funds and are on deposit with JPMorganChase Bank and North Fork Bank.
- 3. CONCENTRATION OF CREDIT RISK:** The Company maintains cash in bank deposit accounts which, at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts and does not believe it is exposed to any significant credit risk on cash.
- 4. RECEIVABLE FROM CLEARING BROKER:** Receivable from Clearing Broker primarily represents commission monies due from the Clearing Broker. The Company is subject to credit risk should the Clearing Broker be unable to repay this balance.

Pursuant to the clearing agreement between the Company and the Clearing Broker, the Clearing Broker has the right to charge the Company for unsecured losses that result from customers' failure to complete securities transactions.
- 5. RELATED PARTY TRANSACTIONS:** An affiliated company, Lafer Management Corp. ("Lafer"), provides personnel (including its two principal officers) needed for the day-to-day operations of the Company. The Company reimburses Lafer for the personnel costs.
- 6. REGULATORY REQUIREMENTS:** As a registered broker-dealer, the Company is subject to the Uniform Net Capital Rule 15c3-1 of the SEC, which requires the maintenance of minimum net capital of 6-2/3% of aggregate indebtedness, as defined, or \$5,000, whichever is greater. At December 31, 2005, the Company had net capital of \$386,241, which exceeded the requirement by \$360,152.