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**SEC**  
Mail Processing  
Section

MAR 06 2009

Washington, DC  
105

UNIT **09059805**  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

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

SEC FILE NUMBER  
8- 25570

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 01/01/2005 AND ENDING 12/31/2005  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: Baytide Securities, Inc.  
ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)  
415 S. Boston Ave, STE 500

OFFICIAL USE ONLY  
FIRM I.D. NO.

Tulsa (No. and Street) OK 74103  
(City) (State) (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT  
Aron Spears 918-585-8150  
(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

(Name - if individual, state last, first, middle name)  
4200 E. Skelly Drive, STE 560 Tulsa OK 74135  
(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)

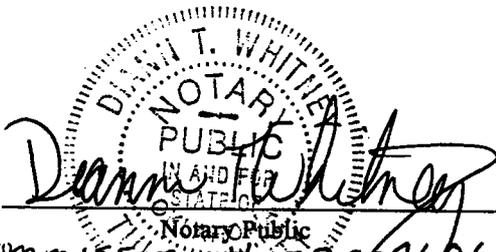
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OATH OR AFFIRMATION

I, Beverly Young, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Baytide Securities, Inc., 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:

N/A

Beverly Young  
Signature  
President  
Title



Commission # 02009606 EXPIRES 3/30/2006

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).

**Baytide Securities Corporation**

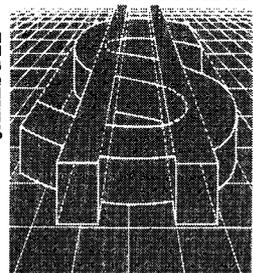
**Financial Statements  
and  
Independent Auditors' Report**

**December 31, 2008**

**SEC**  
**Mail Processing**  
**Section**  
**MAR 06 2009**  
**Washington, DC**  
**105**

**JOHNSON & COMPANY**

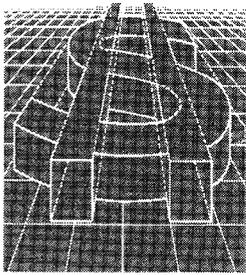
**JAMES DEE**



**CERTIFIED PUBLIC ACCOUNTANTS P.C.**

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**JAMES DEE  
JOHNSON & COMPANY**

CERTIFIED PUBLIC ACCOUNTANTS P.C.

**INDEPENDENT AUDITORS' REPORT**

Board of Directors  
Baytide Securities Corporation

We have audited the accompanying statement of financial condition of Baytide Securities Corporation (a wholly owned Subsidiary) as of December 31, 2008 and the related statements of operations, changes in stockholder's equity, changes in liabilities subordinated to claims of general creditors, and cash flows for the year then ended that you are filing pursuant to rule 17a-5 under the Securities Exchange Act of 1934. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements 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 financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Baytide Securities Corporation as of December 31, 2008, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in the Schedules I and II is presented for purposes of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by rule 17a-5 under the Securities Exchange Act of 1934. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Oklahoma City, Oklahoma  
February 14, 2009

**Baytide Securities Corporation**  
**Statement of Financial Condition**  
**December 31, 2008**

**Assets**

**Current Assets**

Cash and cash equivalents	\$	80,532
Marketable securities, at fair value		7,414
Other receivable		<u>844</u>

**Total current assets** 88,790

\$ 88,790

**Liabilities & Stockholders' Equity**

**Current Liabilities**

Accounts payable	\$	12,110
Accrued Liabilities		<u>3,943</u>

**Total current liabilities** 16,053

**Total Liabilities** 16,053

**Stockholders' Equity**

Common Stock, \$1 par value, 21,000 shares authorized, 11,000 shares issued and outstanding	11,000
Additional paid in capital	144,160
Deficit in Retained Earnings	<u>(82,423)</u>

**Total Stockholders' Equity** 72,737

\$ 88,790

The accompanying notes are an integral part of these financial statements

**Baytide Securities Corporation**  
**Statement of Operations**  
**For the year ended December 31, 2008**

**Revenues**

**Operating Expenses**

General and administrative expenses	14,430
Filing and other fees	260
Professional services	<u>18,439</u>

**Total Operating Expenses** 33,129

**Operating Income (Loss)** (33,129)

**Other Income (Expense)**

Interest income	3,014
Unrealized gain on stock valuation	<u>(7,434)</u>

**Total Other Income (Expense)** (4,420)

**Net Income (Loss) Before Taxes** (37,549)

Income taxes -

**Net Income (Loss)** \$ (37,549)

The accompanying notes are an integral part of these financial statements

**Baytide Securities Corporation**  
**Statement of Changes in Stockholders' Equity**  
**For the Year Ended December 31, 2008**

	<u>Common Stock</u>		<u>Additional Paid-in Capital</u>	<u>Retained Earnings</u>	
	<u>Shares</u>	<u>Amount</u>	<u>Amount</u>	<u>Amount</u>	<u>Total</u>
Beginning Balances	11,000	\$11,000	\$ 129,160	\$ (44,874)	\$ 95,286
Net Income (Loss)				(37,549)	(37,549)
Capital Contributions	-	-	15,000	-	15,000
Ending Balances	<u>11,000</u>	<u>\$11,000</u>	<u>\$ 144,160</u>	<u>\$ (82,423)</u>	<u>\$ 72,737</u>

The accompanying notes are an integral part of this financial statement.

**Baytide Securities Corporation**  
**Statement of Changes in Liabilities Subordinated to the Claims of General Creditors**  
**For the Year Ended December 31, 2008**

Balance at beginning of the year	\$ -
Additions	-
Retirements	-
Balance at end of year	<u><u>\$ -</u></u>

**Baytide Securities Corporation**  
**Statement of Cash Flows**  
**For the Year Ended December 31, 2008**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Net Income (Loss)	\$ (37,549)
Adjustments to reconcile Net Income (Loss) to net Cash provided by (used in) operating activities:	
Unrealized (Gain) Loss on marketable securities	7,434
Decrease (Increase) in Operating Assets:	
Accounts receivable	(844)
Increase (Decrease) in Operating Liabilities:	
Accrued Liabilities	12,110
Total Adjustments	<u>18,700</u>
<b>Net Cash Provided By (Used in) Operating Activities</b>	<b>(18,850)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Proceeds From Sale Bonds	<u>35,000</u>
<b>Net Cash Provided By (Used In) Investing Activities</b>	<b>35,000</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Proceeds From Capital Contributions	<u>15,000</u>
<b>Net Cash Provided By (Used In) Financing Activities</b>	<b><u>15,000</u></b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>31,151</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b><u>49,382</u></b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b><u>\$ 80,532</u></b>

The accompanying notes are an integral part of this financial statement.

# Baytide Securities Corporation

## Notes to Financial Statements

December 31, 2008

### 1. Organization and Nature of Business

The Company is an Oklahoma Corporation that is a wholly-owned subsidiary of Baytide Petroleum, Inc. (Parent).

The Company is a broker-dealer registered with the Securities and Exchange Commission (SEC) and the Financial Industry Regulatory Authority (FINRA).

The company is engaged in the sale of limited partnership interest, principally in partnerships in which its Parent Company acts as general partner. The limited partnerships are generally engaged in the exploration and development of oil and gas properties. The Company has not had any significant operating activity since 1987.

### 2. Significant Accounting Policies

#### Basis of Presentation

The financial statements include the accounts of the Company. The Company is engaged in a single line of business as a securities broker-dealer dealing in limited partnership interests, private placements and selling of oil and gas interest. The Company recognizes revenue on sales commissions on placement of these various interests and the closing of the programs or tranches.

#### Marketable Securities

Marketable securities are valued at market value, and securities not readily marketable are valued at fair value as determined by management.

#### Financial Instruments

The financial instruments of the Company are reported in the statement of financial condition at market or fair values, or at carrying amounts that approximate fair values because of the short maturity of the instruments.

#### Income Taxes

The Company files its tax return separately from its parent. The company recognizes its gains and losses on investments for tax purposes under the mark to market rule for Broker and Dealers in Securities. Deferred tax assets for NOLs are recorded based upon the likely hood of the asset being realized.

#### Statement of Cash Flows

For purposes of the Statement of Cash Flows, the Company has defined cash equivalents as highly liquid investments, with original maturities of less than ninety days that are not held for sale in the ordinary course of business.

# Baytide Securities Corporation

## Notes to Financial Statements

December 31, 2008

### Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Company 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 statement. Actual results could differ from those estimates

### 3. Postretirement Benefit Plans

The Company does not provide health and life insurance benefits to retired employees.

### 4. Related Party transactions

The Company shares office facilities and personnel with its Parent. The Company has recorded Rent of \$3,600, Utilities of \$1,200 and administrative overhead expense of \$6,000 for the year of 2008. As of the end of the year the Company reflected a payable to its Parent for \$10,800 and an accounts receivable of \$844.

### 5. Concentrations of Credit Risk

The Company is engaged in various trading and brokerage activities in which counterparties primarily include broker-dealers, banks, and other financial institutions. In the event counterparties do not fulfill their obligations, the Company may be exposed to risk. The risk of default depends on the creditworthiness of the counterparty or issuer of the instrument. It is the Company's policy to review, as necessary, the credit standing of each counterparty.

### 6. Net Capital Requirements

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 (and the rule of the "applicable" exchange also provides that equity capital may not be withdrawn or cash dividends paid if the resulting net capital ratio would exceed 10 to 1). At December 31, 2008, the Company had net capital of \$67,105, which was \$62,405 in excess of its required net capital of \$5,000. The Company's ratio of aggregate indebtedness to net capital ratio was .24 to 1.

The Company is exempt from the Securities and Exchange Commission Customer Protection Rules (SEC Rule 15c3-3), which relate to reserves and custody of securities, under section (k)(2)(i) of this rule.

# **Baytide Securities Corporation**

## **Notes to Financial Statements December 31, 2008**

### **8. Income Taxes**

The company has net operating loss carryforwards of approximately \$66,000 which may be used to offset future taxable income. These loss carryforwards will begin expiring in 2014.

No deferred tax asset has been recorded for the NOL due to the uncertainty of realizing the future benefit. The company uses an effective tax rate of 20% in calculating its deferred tax assets and liabilities.

**Supplemental Information  
Pursuant to Rule 17a-5 of the  
Securities Exchange Act of 1934  
as of  
December 31, 2008**

**Baytide Securities Corporation**  
**Schedule I**

**Computation of Net Capital Under Rule 15c3-1 of the Securities and Exchange Commission**  
**As of December 31, 2008**

**Computation of Net Capital**

Total ownership equity qualified for net Capital		
Add	\$	72,737
Liabilities subordinated to claims of general creditors allowable in computation of net capital		-
Total capital and allowable subordinated liabilities		<u>72,737</u>

Deductions and/or charges		
Non-allowable assets		
Accounts receivable	\$	844
		<u>844</u>
Net capital before haircuts on securities positions		<u>71,893</u>

Haircuts on securities (computed, where applicable pursuant to Rule 15c3-1(f):

Exempt securities	\$	1,112
Other securities		3,676
Interest		-
		<u>4,788</u>

<b>Net capital</b>		<u><u>\$ 67,105</u></u>
--------------------	--	-------------------------

**Aggregate Indebtedness**

Items included in statement of condition		
Accounts payable / Accrued interest	\$	16,053
<b>Total Aggregate indebtedness</b>	<u>\$</u>	<u>16,053</u>

**Computation of Basic Net Capital Requirement**

Minimum net capital required ( 6 2/3% of total aggregate indebtedness)	\$	<u>1,070</u>
Minimum Dollar Net capital requirement of reporting broker or dealer	\$	<u>5,000</u>
Minimum net capital requirement (greater of two minimum requirement amounts)	\$	<u>5,000</u>
Net capital in excess of minimum required	\$	<u>62,105</u>
Excess net capital at 1000%	\$	<u>65,499</u>
Ratio: Aggregate indebtedness to net capita		<u>24%</u>

**Reconciliation with Company's Computation**

Net capital per Company Focus		67,841
Allowable Asset Account Receivable from Parent misclassified as interest		-736
Net Capital Per Audit Report		<u><u>67,105</u></u>

## Schedule II

### **Baytide Securities Corporation Computation for Determination of Reserve Requirements Under Rule 15c3-3 of the Securities and Exchange Commission As of December 31, 2008**

#### Exemptive Provisions

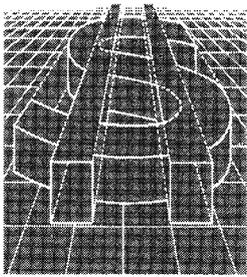
The Company has claimed an exemption from Rule 15c3-3 under section (k)(2)(i), under which the company carries no customer margin accounts and who promptly transmits all customer funds and all securities received in connection with its activities as a broker or dealer. The Company does not otherwise hold funds or securities for or owe money or securities to customers and effectuates all transactions between the broker and their customers through one or bank accounts, designated as "Special Account for the Exclusive Benefit of the Customer".

**Independent Auditors Report**

**on Internal Control**

**Required by SEC Rule 17a-5**

**Year Ended December 31, 2008**



**JAMES DEE  
JOHNSON & COMPANY**

CERTIFIED PUBLIC ACCOUNTANTS P.C.

**Independent Auditors' Report on Internal Control Required by SEC Rule 17a-5**

Board of Directors  
Baytide Securities Corporation

In planning and performing our audit of the financial statements of Baytide Securities Corporation (the Company), for the year ended December 31, 2008, we considered its internal control, including control activities for safeguarding securities, in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control.

Also, as required by rule 17a-5(g)(1) of the Securities and Exchange Commission (SEC), we have made a study of the practices and procedures followed by the Company, including tests of compliance with such practices and procedures that we considered relevant to the objectives stated in rule 17a-5(g) making the periodic computations of aggregate indebtedness and net capital under rule 17a-3(a)(11) and for determining compliance with the exemptive provisions of rule 15c3-3. Because the Company does not carry securities accounts for customers or perform custodial functions relating to customer securities, we did not review the practices and procedures followed by the company in any of the following:

1. Making the quarterly securities examinations, counts, verifications, and Comparisons, and the recordation of differences required by rule 17a-13.
2. Complying with the requirements for prompt payment for securities under Section 8 of Federal Reserve Regulation T of the Board of Governors of the Federal Reserve System.

The management of the Company is responsible for establishing and maintaining an internal control and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of controls, and of the practices and procedures referred to in the preceding paragraph, and to assess whether those practices and procedures can be expected to achieve the SEC's above-mentioned objectives.

Two of the objectives of internal control and the practices and procedures are to provide management with reasonable but not absolute assurance that assets for which the Company has responsibility are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in conformity with generally accepted accounting principles. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

Because of inherent limitations in internal control or the practices and procedures referred to above, error or fraud may occur and not be detected. Also, projection of any evaluation of them to future periods is subject to the risk that they may become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

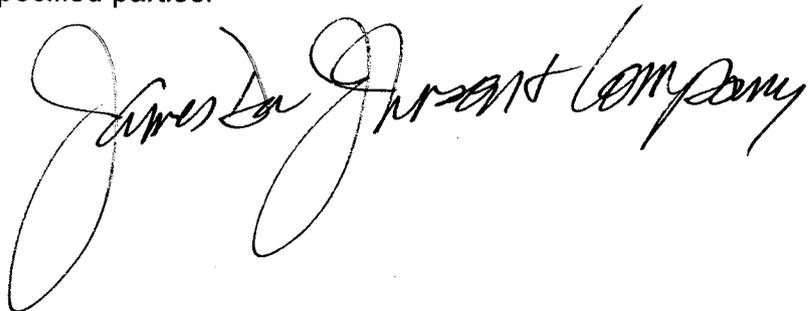
A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control was for the limited purpose described in the first and second paragraphs and would not necessarily identify all deficiencies in internal control that might be material weaknesses. We did not identify any deficiencies in internal control and control activities for safeguarding securities that we consider to be material weaknesses, as defined above.

We understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the SEC to be adequate for its purposes in accordance with the Securities Exchange Act of 1934 and related regulations, and that practices and procedures that do not accomplish such objectives in all material respects indicate a material inadequacy for such purposes. Based on this understanding and on our study, we believe that the Company's practices and procedures were adequate at December 31, 2008, to meet the SEC's objectives.

This report is intended solely for the information and use of the Members, management, the SEC, the Financial Industry Regulatory Authority, and other regulatory agencies that rely on rule 17a-5(g) under the Securities Exchange Act of 1934 in their regulation of registered brokers and dealers, and is not intended to be and should not be used by anyone other than these specified parties.

Oklahoma City, Oklahoma  
February 14, 2009

A handwritten signature in black ink that reads "James D. Stewart Company". The signature is written in a cursive, flowing style with large loops and is positioned to the right of the typed text.