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

MAR 15 2013

Washington DC  
401

FACING PAGE

Information Required of Brokers and Dealers Pursuant to Section 17 of the  
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder

SEC FILE NUMBER

8 - 50853

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

A. REGISTRANT IDENTIFICATION

NAME OF BROKER DEALER:

CJS SECURITIES, INC.

OFFICIAL USE ONLY

FIRM ID. NO.

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

50 MAIN STREET, SUITE 325

(No. And Street)

WHITE PLAINS,  
(City)

NY  
(State)

10606  
(Zip Code)

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

ARNOLD URSANER

(914) 287-7600

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

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

FULVIO & ASSOCIATES, LLP

ATTN: JOHN FULVIO, CPA

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

5 West 37<sup>th</sup> Street, 4<sup>th</sup> Floor

(Address)

NEW YORK

(City)

NY

(State)

10018

(Zip Code)

CHECK ONE:

- Certified Public Accountant
- Public Accountant
- Accountant not resident in United States or any of it possessions.

PUBLIC

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 basis for the exemption. See section 240.17a-5(e)(2)

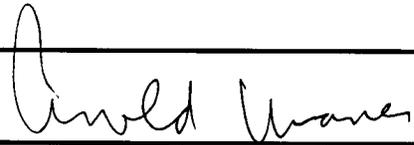
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3/25/13

OATH OR AFFIRMATION

I, ARNOLD URSANER, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of CJS SECURITIES, INC., as of DECEMBER 31, 2012, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

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



Signature

PRESIDENT & CEO

Title



ROBERT G. O'DONNELL  
Notary Public, State of New York  
No. 020 4636709  
Qualified in Westchester County  
Commission Expires November 30, 2014

Notary Public

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

- (a) Facing page.
- (b) Statement of Financial Condition.
- (c) Statement of Income (Loss).
- (d) Statement of Cash Flows.
- (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 or 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 previous audit.
- (o) Supplemental independent Auditors Report on Internal Accounting Control.

\*\*For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

CJS SECURITIES, INC.  
STATEMENT OF FINANCIAL CONDITION  
DECEMBER 31, 2012

**FULVIO & ASSOCIATES, L.L.P.**

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*Certified Public Accountants*

CJS SECURITIES, INC.  
STATEMENT OF FINANCIAL CONDITION  
DECEMBER 31, 2012

PUBLIC

*Certified Public Accountants*

New York Office:  
5 West 37th Street, 4th Floor  
New York, New York 10018  
TEL: 212-490-3113  
FAX: 212-575-5159  
www.fulviollp.com

Connecticut Office:  
95B Rowayton Avenue  
Rowayton, CT 06853  
TEL: 203-857-4400  
FAX: 203-857-0280

## INDEPENDENT AUDITOR'S REPORT

To the Shareholder of  
CJS Securities, Inc.:

### *Report on the Financial Statement*

We have audited the accompanying statement of financial condition of CJS Securities, Inc. (the "Company") as of December 31, 2012 that is filed pursuant to Rule 17a-5 under the Securities Exchange Act of 1934, and the related notes to the financial statement.

### *Management's Responsibility for the Financial Statement*

Management is responsible for the preparation and fair presentation of this financial statement in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of this financial statement that is free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

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 this financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in this financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of this financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of this financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of this financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Opinion*

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position of CJS Securities, Inc. as of December 31, 2012 in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in black ink that reads "J. L. Associates, LLP". The signature is written in a cursive, flowing style.

New York, New York  
March 11, 2013

CJS SECURITIES, INC.  
STATEMENT OF FINANCIAL CONDITION  
DECEMBER 31, 2012

ASSETS

Cash	\$ 813,475
Due from broker and clearing deposits	687,967
Commissions receivable	186,416
Securities owned, at fair value	1,062,458
Other assets	<u>109,010</u>
 TOTAL ASSETS	 <u>\$ 2,859,326</u>

LIABILITIES AND SHAREHOLDER'S EQUITY

Liabilities:

Accrued expenses	\$ 17,519
Pension payable	<u>492,239</u>
Total Liabilities	<u>509,758</u>

Shareholder's Equity:

Common stock, no par value, 200 shares authorized, 100 shares issued and outstanding	100
Additional paid-in capital	262,571
Retained earnings	<u>2,086,897</u>
Total Shareholder's Equity	<u>2,349,568</u>

TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY \$ 2,859,326

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

CJS SECURITIES, INC.  
NOTES TO FINANCIAL STATEMENT  
DECEMBER 31, 2012

NOTE 1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

CJS Securities, Inc. (the "Company") was incorporated in New York on November 5, 1997 and began operations on July 1, 1998, as a broker-dealer. The Company is registered with the Securities and Exchange Commission (the "SEC") and is a member of the Financial Industry Regulatory Authority, Inc. (the "FINRA").

The Company does not carry security accounts for customers or perform custodial functions relating to customer securities. Accordingly, the Company is exempt from the provisions of Rule 15c3-3 under the Securities Exchange Act of 1934 (the "Act").

The Company maintains its books and records on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America, that also requires broker-dealers to value securities at fair market value.

The Company executes its trades through other member firms and records all securities transactions on a trade date basis.

The preparation of the financial statements in conformity with the accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statement. Actual results could differ from those estimates.

Fair Value Measurement – Definition and Hierarchy

FASB ASC 820 defines fair value, establishes a framework for measuring fair value, and establishes a fair value hierarchy which prioritizes the inputs to valuation techniques. Fair value 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. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market. Valuation techniques that are consistent with the market, income or cost approach, as specified by FASB ASC 820, are used to measure fair value.

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

CJS SECURITIES, INC.  
 NOTES TO FINANCIAL STATEMENT  
 DECEMBER 31, 2012  
 (continued)

NOTE 1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair Value Measurement – Definition and Hierarchy (continued)

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities the Company has the ability to access.

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.

Level 3 are unobservable inputs for the asset or liability and rely on management's own assumptions about the assumptions that market participants would use in pricing the asset or liability. The unobservable inputs should be developed based on the best information available in the circumstances and may include the Company's own data.

NOTE 2. FAIR VALUE MEASUREMENTS

The Company's investments recorded at fair value are categorized below based upon a fair value hierarchy in accordance with ASC 820 at December 31, 2012. See Note 1 for a definition and discussion of the Company's policies regarding this hierarchy.

<u>Securities owned</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Equity Securities	<u>\$ 1,062,458</u>	<u>-</u>	<u>-</u>	<u>\$ 1,062,458</u>
% of Total	<u>100%</u>	<u>-</u>	<u>-</u>	<u>100%</u>

NOTE 3. RELATED PARTY TRANSACTIONS

The Company has an agreement with a related company owned by the same shareholder for the use of office space, utilities, and certain office equipment. The Company incurs 100% of the lease obligation in return for the use of the premises and the equipment. This agreement is on a month to month basis and can be terminated at any time by either party without incurring any liabilities.

CJS SECURITIES, INC.  
NOTES TO FINANCIAL STATEMENT  
DECEMBER 31, 2012  
(continued)

NOTE 4. NET CAPITAL REQUIREMENTS

The Company is subject to the SEC 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, 2012, the Company had net capital of \$2,081,189, which was \$1,981,189 in excess of its required net capital of \$100,000. The Company's net capital ratio was .07 to 1.

NOTE 5. FINANCIAL TRANSACTIONS WITH OFF-BALANCE-SHEET CREDIT RISK

The Company's activities involve the introduction of transactions on a fully disclosed basis with a clearing broker on behalf of its customers. Through contractual agreements with the clearing broker, the Company is liable in the event its customers are unable to fulfill their contracted obligations with the clearing broker.

The customers' activities are transacted on either a cash or margin basis through the facilities of a clearing broker. In margin transactions, the clearing broker extends credit to customers, subject to various regulatory and margin requirements, collateralized by cash and securities in the customers' accounts. In connection with these activities, the clearing broker executes and clears customers' transactions involving the sale of securities not yet purchased ("short sales"). These transactions may expose the Company to significant off-balance-sheet risk in the event the customers fail to satisfy their obligations to the clearing broker. The Company may then be required to compensate the clearing broker for losses incurred on behalf of the customers.

The Company, through its clearing broker, seeks to control the risks associated with its customers' activities by requiring customers to maintain margin collateral in compliance with various regulatory and the clearing broker's internal guidelines. The clearing broker monitors required margin levels daily and, pursuant to such guidelines, requires the customers to deposit additional collateral, or reduce positions, when necessary.

NOTE 6. INCOME TAXES

The Company has elected to be taxed under Subchapter S of the Internal Revenue Code and a similar provision in New York State. Accordingly, the corporation is not considered a taxable entity for federal and state purposes. Any taxable income, losses or credits are reported by each stockholder on their individual tax returns.

CJS SECURITIES, INC.  
NOTES TO FINANCIAL STATEMENT  
DECEMBER 31, 2012  
(continued)

NOTE 6. INCOME TAXES (continued)

The Company is subject to the New York State Franchise tax which imposes a minimum tax based on variables affected by the Company's operations.

The Company recognizes and measures its unrecognized tax benefits in accordance with ASC Topic 740, *Income Taxes*. Under that guidance the Company assesses the likelihood, based on their technical merit, that tax positions will be sustained upon examination based on the facts, circumstances and information available at the end of the period. The measurement of unrecognized tax benefits is adjusted when new information is available, or when an event occurs that requires a change.

The Company has determined that there are no uncertain tax positions which require adjustment or disclosure on the financial statements. The tax years that remain subject to examination by taxing authorities are 2009, 2010, and 2011.

NOTE 7. DEFINED BENEFIT PENSION PLAN

The Company participates in a noncontributory defined benefit pension plan which covers substantially all of its employees, and is funded through a trust established under the plan.

The benefits are based on years of service, and the employee's compensation during the five consecutive years in which their average compensation was highest. Funding of retirement costs for the plan complies with the funding requirements of the Employee Retirement Income Security Act of 1974 ("ERISA") and other federal legislation.

CJS SECURITIES, INC.  
NOTES TO FINANCIAL STATEMENT  
DECEMBER 31, 2012  
(continued)

NOTE 7. DEFINED BENEFIT PENSION PLAN (continued)

The plan's funded status is as follows:

**Change in benefit obligation:**

Benefit obligation at December 31, 2011	\$ 4,635,101
Service cost	322,044
Interest cost	231,141
Actuarial (gain)/loss	185,081
Disbursements paid	<u>(14,733)</u>
Benefit obligation at December 31, 2012	<u>\$ 5,358,634</u>

**Change in plan assets:**

Fair value of plan assets at December 31, 2011	\$ 3,767,965
Actual return on plan assets	525,163
Employer contribution	588,000
Paid to participants	<u>(14,733)</u>
Fair value of plan assets at December 31, 2012	<u>\$ 4,866,395</u>

Funded status at end of year	<u>\$ 492,239</u>
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**Amounts recognized in the Statement of Financial Condition consist of:**

Pension payable	<u>\$ 492,239</u>
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**Amounts recognized in accumulated other comprehensive income consist of:**

Transition obligation (gain)	\$ (829,434)
Net actuarial gain (loss)	134,841
Accumulated other comprehensive income	<u>\$ (694,593)</u>

**Information for plans with an accumulated benefit obligation in excess of plan assets:**

Projected benefit obligation	<u>\$ 5,358,634</u>
Accumulated benefit obligation	<u>\$ 829,434</u>
Fair value of plan assets	<u>\$ 4,866,395</u>

CJS SECURITIES, INC.  
NOTES TO FINANCIAL STATEMENT  
DECEMBER 31, 2012  
(continued)

NOTE 7. DEFINED BENEFIT PENSION PLAN (continued)

**Components of net periodic cost and other amounts  
recognized in other comprehensive income:**

Service cost due at beginning of year	\$ 306,709
Interest for full year	15,335
Interest cost	231,141
Expected return on plan assets	(205,241)
Amortization of unrecognized transition (asset)/ obligation	37,702
Amortization of prior service cost	-
Amortization of net (gain)/loss	-
Net periodic cost	<u>\$ 385,646</u>

**Other changes in plan assets and benefit obligations  
recognized in other comprehensive income:**

Net (gain)/loss	\$ -
Prior service cost (credit)	-
Amortization of prior service cost	<u>-</u>
Total recognized in other comprehensive income	<u>-</u>
Total recognized in net periodic benefit cost and other comprehensive income	<u>\$ 385,646</u>

The estimated transition obligation, net loss and prior service cost for the defined benefit pension plan that will be amortized from other comprehensive income into net periodic benefit cost over the next fiscal year are \$37,702, \$0 and \$0, respectively.

**Weighted average assumptions used to determine  
benefit obligation at December 31, 2012:**

Discount rate	5.00%
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**Weighted average assumptions used to determine net  
periodic benefit cost for year ended December 31, 2012:**

Discount rate	5.00%
Expected long-term return on plan assets	5.00%

CJS SECURITIES, INC.  
NOTES TO FINANCIAL STATEMENT  
DECEMBER 31, 2012  
(continued)

NOTE 7. DEFINED BENEFIT PENSION PLAN (continued)

Contributions expected to be made during the year ending December 31, 2013 are expected to approximate those of the current year.

The following benefit payments that reflect expected future service, as appropriate, are expected to be paid as follows:

<u>Year ending December 31,</u>	<u>Pension Benefits</u>
2013	\$ 409,992
2014	409,992
2015	409,992
2016	409,992
2017	409,992
2018 - 2022	<u>2,049,960</u>
Total	<u>\$ 4,099,920</u>

NOTE 8. COMMITMENTS AND CONTINGENT LIABILITIES

The Company had no lease or equipment rental commitments, no underwriting commitments, no contingent liabilities and had not been named as defendant in any lawsuit at December 31, 2012 or during the year then ended.

NOTE 9. GUARANTEES

FASB ASC 460, *Guarantees*, requires the Company to disclose information about its obligations under certain guarantee arrangements. FASB ASC 460 defines guarantees as contracts and indemnification agreements that contingently require a guarantor to make payments to the guaranteed party based on changes in an underlying factor (such as an interest or foreign exchange rate, security or commodity price, an index or the occurrence or nonoccurrence of a specified event) related to an asset, liability, or equity security of a guaranteed party. This guidance also defines guarantees as contracts that contingently require the guarantor to make payments to the guaranteed party based on another entity's failure to perform under an agreement as well as indirect guarantees of the indebtedness of others.

The Company has issued no guarantees at December 31, 2012 or during the year then ended.

CJS SECURITIES, INC.  
NOTES TO FINANCIAL STATEMENT  
DECEMBER 31, 2012  
(continued)

NOTE 10. SUBSEQUENT EVENTS

Subsequent events have been evaluated and no events have been identified which require disclosure.