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SECURITIES AND EXCHANGE COMMISSION  
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**ANNUAL AUDITED REPORT  
FORM X-17A-5  
PART III**

SEC FILE NUMBER  
8- 255704

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

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: Baytide Securities Corporation  
ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)  
7105 East Admiral Place, Suite 220  
(No. and Street)  
Tulsa Oklahoma 74115  
(City) (State) (Zip Code)

OFFICIAL USE ONLY  
FIRM I.D. NO.

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

**B. ACCOUNTANT IDENTIFICATION**

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*  
James Dee Johnson and Company, P.C.  
(Name - if individual, state last, first, middle name)  
3608 NW 58<sup>th</sup> Street, Oklahoma City, Oklahoma 73112  
(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)

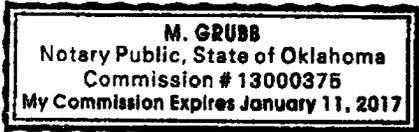
SEC 1410 (06-02)

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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, Corporation, as of December 31<sup>st</sup>, 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:



Beverly Young  
Signature  
President  
Title

# 13000375

M. Grubb  
Notary Public  
Ex: January 11, 2017

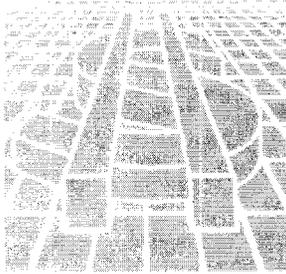
This report \*\* contains (check all applicable boxes):

- (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).

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*James Dee  
Johnson & Company  
Certified Public Accountants PC*

*3608 NW 58th Street Oklahoma City, Oklahoma 73112  
voice 405.943.1272 fax 405.943.1315 email taxquestions@jdjcpa.net*

**INDEPENDENT AUDITORS' REPORT**

Board of Directors  
Baytide Securities Corporation

**Report on the Financial Statements**

We have audited the accompanying statement of financial condition of Baytide Securities Corporation (a wholly owned Subsidiary) as of December 31, 2012 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, and the related notes to the financial statements.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements 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 financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, 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 the financial statements 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 the financial statements.

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

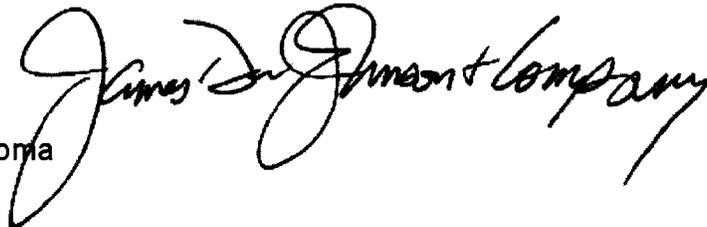
### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Baytide Securities Corporation as of December 31, 2012, 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.

### **Other Matter**

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. The information in Schedules I and II has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information in Schedules I and II is fairly stated in all material respects in relation to the financial statements as a whole.

Oklahoma City, Oklahoma  
February 21, 2013

A handwritten signature in black ink, appearing to read "James D. Jenson & Company". The signature is written in a cursive, flowing style.

**Baytide Securities Corporation**  
**Statement of Financial Condition**  
**December 31, 2012**

**Assets**

**Current Assets**

Cash and cash equivalents	\$	46,785
Marketable securities, at fair value		7,497
<b>Total current assets</b>		<u><u>54,282</u></u>

**Other Assets**

Prepaid Insurance	\$	951
<b>Total Other Assets</b>	\$	<u><u>55,233</u></u>

**Liabilities & Stockholders' Equity**

Current liabilities	\$	
Accounts payable		<u>          </u>
<b>Total current liabilities</b>		0

**Long-Term Liabilities**

<b>Total Liabilities</b>	\$	<u>          </u> 0
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**Stockholders' Equity**

Common Stock, \$1 par value, 21,000 shares authorized, 11,000 shares issued and outstanding	\$	11,000
Additional paid in capital		257,077
Deficit in Retained Earnings		(150,114)
Net Income		<u>(62,730)</u>
<b>Total Equity</b>		<u><u>55,233</u></u>

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

**Baytide Securities Corporation**  
**Statement of Operations**  
**For the year December 31, 2012**

**Revenues**

**Operating Expenses**

General and administrative expenses	\$	41,820
Filing and other fees		
Professional Services		21,176
Total Operating Expenses		<u>62,996</u>
Operating Income (Loss)		<u>(62,996)</u>
Other Income (Expense)		
Interest Income		122
Income - Dividends		0
Unrealized Gain on Stock Valuation		<u>144</u>
Total Other Income (Expense)		<u>266</u>
Net Income (Loss) Before Taxes		<u>(62,730)</u>
Income Taxes		<u>0</u>
<b>Net Income (Loss)</b>		<u><u>(62,730)</u></u>

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

**Baytide Securities Corporation**  
**Statement of Changes in Stockholders' Equity**  
**For the Year Ended December 31, 2012**

	<b>Shares</b>	<b>Amount</b>	<b>Additional Paid-in Capital Amount</b>	<b>Retained Earnings Amount</b>	<b>Total</b>
<b>Beginning Balances</b>	11,000	11,000	184,160	(150,114)	45,046
<b>Net Income (Loss)</b>				(62,730)	(62,730)
<b>Capital Contributions</b>			72,916		72,916
<b>Ending Balances</b>	11,000	11,000	257,076	(212,844)	55,232

The accompanying notes are an intergal part of this financials statement.

**Baytide Securities Corporation**  
**Statement of changes in liabilities subordinated to the claims of General Creditors**  
**For the year ending December 31, 2012**

Balance at the beginning of the year	\$	0
Additions		0
Retirements		0
Balance at end of year		<u>0</u>

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

**Baytide Securities Corporation**  
**Statement of Cashflows**  
**For the year ending December 31, 2012**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	\$	
Net Income (Loss)		(62,730)
Adjustments to reconcile Net Income		
(Loss) of net Cash provided by		
Unrealized (Gain) Loss on marketable securities		(144)
Decrease (Increase) in		
Operating Assets:		
Prepaid insurance		(535)
Accounts receivable		
Increase (Decrease) in		
Operating Liabilities		
Accrued Liabilities		<u>(14,645)</u>
Total Adjustments		<u>(15,324)</u>
Net Cash Provided By (Used in)		
Operating Activities		(78,054)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Net Cash Provided By (Used In)		
Investing Activities		
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds From Capital Contributions		<u>72,916</u>
Net Cash Provided By (Used In)		
Financing Activities		<u>72,916</u>
NET INCREASE (DECREASE) IN CASH		
AND CASH EQUIVALENTS		(5,138)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD		<u>51,923</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD		<u><u>46,785</u></u>

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

**Baytide Securities Corporation**  
**Notes to Financial Statements**  
**December 31, 2012**

**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 a general partner. The limited partnerships are generally engaged in the exploration and development of oil and gas properties. The Company did enter into a selling agreement with the Parent Company this year, but failed to raise any funds.

**2. Significant Accounting Policies**

**Basis of Presentation**

The financial statements included 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 of sales commissions on placement of these various interests and the closing of the programs or branches.

**Marketable Securities**

Marketable securities (Level 1 assets- assets trading on active markets) are valued at market value, and securities not readily marketable (Level 2 assets) are valued at fair value as determined by management applying FASAB ASC 820. Currently the company owns no level 2 assets.

**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 the 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 bases upon the likely hood of the assets being realized.

**Statement of Cash Flows**

For purpose 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.

**Use of Estimates**

The presentation of financial statements with 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 Transaction**

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 of \$17,900.

The Company receives a capital contribution from the Parent at the end of each quarter equal to its expenses for the quarter. This was new for this year.

The Parent has a direct expense for employee cost and health benefits totaling \$27,600.

### **5. Concentration 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). As December 31, 2012, the Company had a net capital of \$52,250, which was \$47,250 in excess of its required net capital of \$5,000. The company ratio of aggregate indebtedness to net capital ratio was 0 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 the rule.

### **7. Income Taxes**

The Company has net operating loss carryforwards of approximately \$188,000 which may be used to offset future taxable income. These loss carryforwards will begin to expire 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.

### **8. Lease Obligations**

As of April 1, 2012, the Company entered into an Auto Lease Agreement with the Parent. The Lease Term is 60 months and ends March 31, 2017. The lease has a remaining period of 52 months totaling \$7,800 in payments.

### **9. Subsequent Events**

In accordance with FASB Accounting Standards Codification Topic 855, Subsequent Events, the company evaluated subsequent events through February 21, 2013, which is the date these financial statements, all subsequent events requiring recognition as of December 31, 2012, have been incorporated into these financial statements herein.

**Supplemental Information  
Pursuant to Rule 17a-5 of the  
Securities Exchange Act of 1934  
as of  
December 31, 2012**

**Baytide Securities Corporation**  
**Schedule I**  
**Computation of Net Capital Under Rule 15c3-1 of the Securities and Exchange Commission**  
**As of December, 2012**

**Computation of Net Capital**

Total ownership equity qualified for Net Capital	\$	54,281
Add		
Liabilities subordinated to claims of general creditors allowable in computation of net capital		-
Total capital and allowable subordinated liabilities		<u>54,281</u>
Deductions and/or charges		-
Net capital before haircuts on securities positions		<u>54,281</u>
Haircuts on securities (computed, where applicable pursuant to Rule 15c3-1(f)):		
Exempt securities	\$	2,031
		<u>2,031</u>
<b>Net Capital</b>	<b>\$</b>	<b><u><u>52,250</u></u></b>
<b>Aggregate Indebtedness</b>		
Items included in statement of condition		-
<b>Total Aggregate Indebtedness</b>	<b>\$</b>	<b><u><u>0</u></u></b>
<b>Computation of Basic Net Capital Requirement</b>		
Minimum net capital required (6 2/3% of total aggregate indebtedness)	\$	<u>0</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>47,250</u>
Excess net capital at 1,000%	\$	<u>52,250</u>
Ratio		<u>0%</u>
<b>Reconciliation with Company's Computation</b>		
Net Capital per Company Focus		52,250
No adjustments		<u>0</u>
Net Capital per Audit Report		<u><u>52,250</u></u>

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

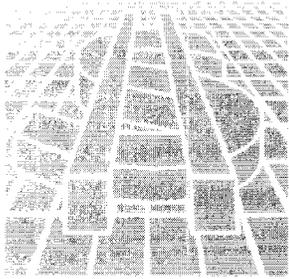
**Baytide Securities Coporation**  
**Schedule II**  
**Computation for Determination of Reserve Requirements Under Rule 15c3-3 of**  
**the Securities and Exchange Commission**  
**As of December 31, 2012**

**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".

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

**Independent Auditors Report**  
**on Internal Control**  
**Required by SEC Rule 17a-5**  
**Year Ended December 31, 2011**



*James Dee  
Johnson & Company  
Certified Public Accountants PC*

3608 NW 58th Street Oklahoma City, Oklahoma 73112  
voice 405.943.1272 fax 405.943.1315 email [taxquestions@jdjcpa.net](mailto:taxquestions@jdjcpa.net)

**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, 2012, in accordance with auditing standards generally accepted in the United States of America, we considered the Company's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company's 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 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 deficiency in internal control* 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 and correct, misstatements on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

*A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the company's financial statements will not be prevented or detected and corrected on a timely basis.

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 previously.

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, 2012, to meet the SEC's objectives.

This report is intended solely for the information and use of the Board of Directors, 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 21, 2013

