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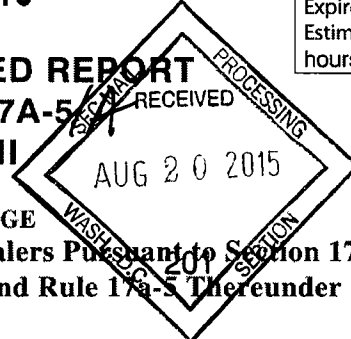


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**ANNUAL AUDITED REPORT**  
**FORM X-17A-5**  
**PART III**



|                 |
|-----------------|
| SEC FILE NUMBER |
| 8. 10963        |

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 1/1/14 AND ENDING 12/31/14  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: ATLANTIC SECURITIES, INC

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)  
920 PROVIDENCE ROAD SUITE 201  
(No. and Street)

TOWSON MARYLAND 21286  
(City) (State) (Zip Code)

|                   |
|-------------------|
| OFFICIAL USE ONLY |
| FIRM I.D. NO.     |

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT  
CRAIG G. FISCHER 410-296-0470  
(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

KUCZAK & ASSOCIATES, P.A.

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

139 N MAIN STREET SUITE 101 BEL AIR MARYLAND 21014  
(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)

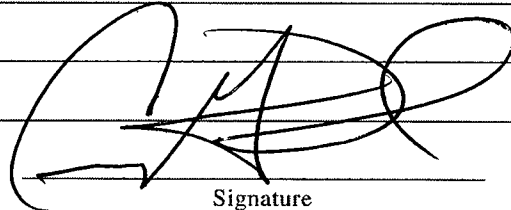
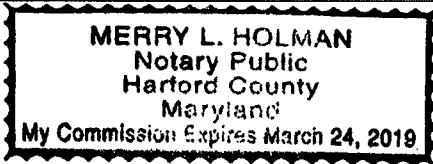
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## OATH OR AFFIRMATION

I, CRAIG G. FISCHER, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of ATLANTIC SECURITIES, INC., as of DECEMBER 31, 2014, 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

Vice Pres.

Title

Merry L. Holman  
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 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).**

**ATLANTIC SECURITIES, INC.**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2014**

**KUCZAK & ASSOCIATES, P.A.**  
CERTIFIED PUBLIC ACCOUNTANTS / BUSINESS CONSULTANTS

**ATLANTIC SECURITIES, INC.**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2014**

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### **INDEPENDENT AUDITORS REPORT ON INTERNAL CONTROL AS REQUIRED BY SEC RULE 17A-5.....12-13**

139 North Main Street, Suite 300  
Bel Air, MD 21014

The Board of Directors  
Atlantic Securities, Inc.  
Towson, Maryland

#### Report of Independent Registered Public Accounting Firm

We have audited the accompanying statement of financial condition of Atlantic Securities, Inc. as of December 31, 2014, and related statements of income, changes in stockholders' equity, 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 (collectively referred to as the "financial statements"). These financial statements are the responsibility of the company's management.

We are a public accounting firm registered with the Public Company Accounting Oversight Board ("PCAOB") (United States) and are required to be independent with respect to the Company in accordance with the United States federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission ("SEC") and the PCAOB. We have served as the Company's auditor consecutively since 2004.

#### Basis of Opinion

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 statements are 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 statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures include examining, on a test basis, appropriate evidence regarding the amounts and disclosures in the financial statements. 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 statements. We believe that our audit to provides a reasonable basis for our opinion.

#### Opinion on the Financial Statement

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Atlantic Securities, Inc. as of December 31, 2014 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.

We also have audited, in accordance with the standards of the PCAOB, Atlantic Securities, Inc., Inc.'s internal control over financial reporting as of December 31, 2014, and our report dated January 24, 2015 expressed that the controls were adequate.

#### Critical Audit Matters

The standards of the PCAOB require that we communicate in our report critical audit matters relating to the audit of the current period's financial statements or state that we determined that there are no critical audit matters. Critical audit matters are those matters addressed during the audit that (1) involved our most difficult, subjective, or complex judgments; (2) posed the most difficulty to us in obtaining sufficient appropriate evidence; or (3) posed the most difficulty to us in forming our opinion on the financial statements.

We determined that there are no critical audit matters.

In addition to auditing the Company's financial statements in accordance with the standards of the PCAOB, we evaluated whether the other information, included in the annual report on The Financial and Operational Combined Uniform Single Report IIa and Statement Pertaining to Exemptive Provisions Under 15c3-3(k) filed with the Securities and Exchange Commission that contains both the December 31, 2014 financial statements and our audit report on those financial statements, contains a material inconsistency with the financial statements, a material misstatement of fact, or both. Our evaluation was based on relevant audit evidence obtained and conclusions reached during the audit. We did not audit the other information and do not express an opinion on the other information. Based on our evaluation, we have not identified a material inconsistency or a material misstatement of fact in the other information.

*Kuzych & Associates, P.A.*

Bel Air, Maryland  
January 24, 2015

**ATLANTIC SECURITIES, INC.**  
**STATEMENT OF FINANCIAL CONDITION**  
**DECEMBER 31, 2014**

|                                |                         |
|--------------------------------|-------------------------|
| Current Assets:                |                         |
| Cash and Equivalents           | <u>\$ 25,956</u>        |
| Fixed Assets:                  |                         |
| Furniture & Fixtures           | 29,821                  |
| Less: Accumulated Depreciation | <u>(29,821)</u>         |
| Total Fixed Assets             | -                       |
| Other Assets:                  |                         |
| Security Deposit               | <u>1,547</u>            |
| Total Other Assets             | <u>1,547</u>            |
| TOTAL ASSETS                   | <u><u>\$ 27,503</u></u> |

**LIABILITIES AND STOCKHOLDERS' EQUITY**

|                                                                                            |                         |
|--------------------------------------------------------------------------------------------|-------------------------|
| Current Liabilities:                                                                       |                         |
| Accrued Expenses                                                                           | <u>\$ 5,654</u>         |
| Total Current Liabilities                                                                  | <u>5,654</u>            |
| Stockholders' Equity:                                                                      |                         |
| Capital Stock, no par value; 1,000 shares authorized, 100 shares<br>issued and outstanding | 19,727                  |
| Retained Earnings                                                                          | <u>2,122</u>            |
| Total Stockholders' Equity                                                                 | <u>21,849</u>           |
| TOTAL LIABILITIES & STOCKHOLDERS'<br>EQUITY                                                | <u><u>\$ 27,503</u></u> |

*See Accompanying Notes*

**ATLANTIC SECURITIES, INC.**  
**STATEMENT OF INCOME**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

REVENUES:

|             |                  |
|-------------|------------------|
| Commissions | <u>\$ 88,981</u> |
|-------------|------------------|

EXPENSES:

|                      |                   |
|----------------------|-------------------|
| Commissions          | 26,662            |
| Rent                 | 13,072            |
| Dues & Subscriptions | 11,340            |
| Telephone            | 3,522             |
| Automobile           | 11,572            |
| Office               | 5,379             |
| Accounting           | 3,625             |
| Other Expenses       | <u>7,264</u>      |
| <br>Total Expenses   | <br><u>82,436</u> |

|            |                        |
|------------|------------------------|
| NET INCOME | <u><u>\$ 6,545</u></u> |
|------------|------------------------|

*See Accompanying Notes*

**ATLANTIC SECURITIES, INC.**  
**STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY**  
**DECEMBER 31, 2014**

|                              |                         |
|------------------------------|-------------------------|
| CAPITAL STOCK                | \$ 19,727               |
| RETAINED EARNINGS:           |                         |
| Balance at Beginning of Year | 1,577                   |
| Net Income                   | 6,545                   |
| Distributions                | <u>(6,000)</u>          |
| Balance at End of Year       | <u>2,122</u>            |
| TOTAL STOCKHOLDERS' EQUITY   | <u><u>\$ 21,849</u></u> |

*See Accompanying Notes*

**ATLANTIC SECURITIES, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

**CASH FLOWS FROM OPERATING ACTIVITIES:**

|                                                                                  |                 |
|----------------------------------------------------------------------------------|-----------------|
| Net Income                                                                       | <u>\$ 6,545</u> |
| Adjustments to reconcile net income to net cash used<br>by operating activities: |                 |
| Increase in accrued expenses                                                     | <u>4,654</u>    |
| Net cash provided by operating activities                                        | <u>11,199</u>   |

**CASH FLOWS FROM INVESTING ACTIVITIES:**

|                                       |                |
|---------------------------------------|----------------|
| Distributions to shareholders         | <u>(6,000)</u> |
| Net cash used in investing activities | <u>(6,000)</u> |

NET DECREASE IN CASH AND EQUIVALENTS 5,199

CASH AND EQUIVALENTS AT BEGINNING OF YEAR 20,757

CASH AND EQUIVALENTS AT END OF YEAR \$ 25,956

*See Accompanying Notes*

**SUPPLEMENTARY SCHEDULE**

## ATLANTIC SECURITIES, INC.

### Notes to Financial Statements

See Independent Auditor's Report

December 31, 2014

#### Note 1 - NATURE OF OPERATIONS

Atlantic Securities, Inc. (the "Company") was formed as a corporation under the general laws of the State of Maryland on July 12, 1962. The Company advises investors in the Mid-Atlantic region, in the purchase of mutual fund investments and acts as an agent, receiving commissions from mutual fund families when their clients purchase mutual fund investments. The Company's business is limited to mutual funds and/or variable annuities.

#### Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### Basis of Accounting

The accompanying financial statements are prepared on the accrual basis of accounting. As such, income is recognized in the period earned and expenses are recognized in the period incurred.

##### Income Recognition

Commission revenue is recorded on a trade-date basis.

##### Cash and Equivalents

For the purposes of the cash flow presentation, the Company considers all cash on deposit and money market funds as cash and equivalents.

##### Commissions Receivable

Commissions receivable represent commissions due from various mutual fund families. These receivables are generally fully collected within 30 days. As a result, Management has not provided an allowance for doubtful accounts on these receivables.

## ATLANTIC SECURITIES, INC.

### Notes to Financial Statements

See Independent Auditor's Report

December 31, 2014

#### Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

##### Fixed Assets

Fixed assets are recorded at cost. Maintenance, repairs and minor renewals are charged against income as incurred. Major renewals and betterments are capitalized. Depreciation is calculated using accelerated methods over the estimated useful lives of the respective assets.

##### Income Taxes

The stockholders of the Company have elected to be taxed in accordance with the provisions of Subchapter S of the Internal Revenue Code. Under those provisions, in lieu of corporate income taxes, the individual shareholders are taxed on their proportionate share of the taxable income of the Company. Therefore, no provision or liability for federal or state income taxes has been included in the financial statements.

##### Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles 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 financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The accompanying financial statements contain no significant estimates.

#### Note 3 - RELATED PARTY TRANSACTIONS

The Company's stock is owned by the same individuals who also own all of the stock of Atlantic Securities Associates, Inc., an insurance brokerage; and Atlantic Financial Services, Inc., a SEC registered investment advisor in the State of Maryland. The Company currently shares office facilities, personnel and furniture with both of these entities and charges the affiliates for shared expenses.

## **ATLANTIC SECURITIES, INC.**

### **Notes to Financial Statements**

See Independent Auditor's Report

December 31, 2014

#### **Note 3 - RELATED PARTY TRANSACTIONS - CONTINUED**

The owners of the Company received compensation of \$8,528 for the year ended December 31, 2014. This amount is included in commission expense in the accompanying financial statements, of which \$0 was unpaid at year-end.

#### **Note 4 - CONCENTRATION OF RISK**

The Company has agreements with numerous independent mutual fund families to originate the purchase and sales of mutual funds for the Company's clients. The Company utilizes six brokers to generate revenue, however, the owners are responsible for approximately 19.10% of the revenue earned by the Company.

#### **Note 5 - LEASES**

The Company currently shares office space with a related company under an operating lease, which expires May 31, 2015. Rent expense for the year ended December 31, 2014 amounted to \$13,072; which reflects reimbursement for some rental expense from affiliated entities.

Total future minimum lease payments for the five month period ended May 31, 2015 total \$5,745.

#### **Note 6 - LIABILITIES SUBORDINATED TO CLAIMS OF GENERAL CREDITORS**

The Company has no liabilities subordinated to claims of general creditors.

## **ATLANTIC SECURITIES, INC.**

### **Notes to Financial Statements**

See Independent Auditor's Report

December 31, 2014

#### **Note 7 - REGULATORY REQUIREMENTS**

As a registered dealer in securities, the Company is subject to the Securities and Exchange Commission's Net Capital Rule (Rule 15c3-1), which requires the maintenance of minimum net capital and which requires a ratio of aggregate indebtedness, as defined, of not more than fifteen times net capital, as defined.

As of December 31, 2014, the Company's net capital was \$20,302 which exceeded the net capital requirement by \$15,302. As of December 31, 2014, the Company's ratio of aggregate indebtedness to net capital was approximately .26 to 1.

The corporation is exempt from the provisions of the Securities and Exchange Commission's Customer Protection-Reserves and Custody of Securities Rule (Rule 15c3-3) pursuant to Section K(1) of the rule.

**ATLANTIC SECURITIES, INC.**  
**SCHEDULE OF COMPUTATION OF AGGREGATE INDEBTEDNESS**  
**AND NET CAPITAL**  
**(PURSUANT TO SECURITIES AND EXCHANGE COMMISSION RULE 15c3-1)**  
**DECEMBER 31, 2014**

**COMPUTATION OF AGGREGATE INDEBTEDNESS**

Liabilities included in aggregate indebtedness:

|                                |                 |
|--------------------------------|-----------------|
| Accrued commissions & expenses | \$ 5,654        |
| Aggregate Indebtedness         | <u>\$ 5,654</u> |

**COMPUTATION OF NET CAPITAL**

|                                  |                |
|----------------------------------|----------------|
| Total stockholders' equity       | \$ 21,849      |
| Less: Total Non-Allowable Assets | <u>(1,547)</u> |

|                                                     |        |
|-----------------------------------------------------|--------|
| Net capital before haircuts on securities positions | 20,302 |
|-----------------------------------------------------|--------|

Haircuts on securities:

|                      |                  |
|----------------------|------------------|
| Money market account | -                |
| Net Capital          | <u>\$ 20,302</u> |

**CAPITAL REQUIREMENTS**

|                                       |               |
|---------------------------------------|---------------|
| Net capital required                  | \$ 5,000      |
| Net capital in excess of requirements | <u>15,302</u> |

|                             |                  |
|-----------------------------|------------------|
| Net capital, as shown above | <u>\$ 20,302</u> |
|-----------------------------|------------------|

|                                                 |                 |
|-------------------------------------------------|-----------------|
| Ratio of aggregated indebtedness to net capital | <u>.28 to 1</u> |
|-------------------------------------------------|-----------------|

**RECONCILIATION WITH COMPANY'S COMPUTATION**

|                                               |                  |
|-----------------------------------------------|------------------|
| Net capital, as reported in Company's Part II |                  |
| (Unaudited) Focus Report                      | \$ 20,302        |
| Rounding                                      | -                |
| Net Capital Per Above                         | <u>\$ 20,302</u> |

|                                                          |                 |
|----------------------------------------------------------|-----------------|
| Aggregate indebtedness, as reported in Company's Part II |                 |
| (Unaudited) Focus Report                                 | \$ 5,654        |
| No changes required, as noted during audit               | -               |
| Aggregate indebtedness, Per Above                        | <u>\$ 5,654</u> |

There were no material differences between the audited computation of net capital and the broker/dealer's corresponding Unaudited Part II A. Material inadequacies were not found to exist since the previous audit.

*See Independent Auditors' Report*

139 North Main Street, Suite 300  
Bel Air, MD 21014

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

Board of Directors  
Atlantic Securities, Inc.  
Towson, Maryland

In planning and performing our audit of the financial statements of Atlantic Securities, Inc. for the year ended December 31, 2014, 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 internal control.

We also made a study of the practices and procedures followed by the Company in making the periodic computations of aggregate indebtedness and net capital under rule 17a-3(a)(11) and the procedures for determining compliance with the exemptive provisions of rule 15c3-3. We did not review the practices and procedures followed by the Company in making the quarterly securities examinations, counts, verifications and comparisons, and the recordation of differences required by rule 17a-13 or in complying with the requirements for prompt payment for securities under section 8 of Regulation T of the Board of Governors of the Federal Reserve System, because the Company does not carry security accounts for customers or perform custodial functions relating to customer securities.

The management of the Company is responsible for establishing and maintaining an internal control structure 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 internal control structure policies and procedures 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 Commission's above-mentioned objectives. Two of the objectives of an internal control structure 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 preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

Because of inherent limitations in any internal control structure of the practices and procedures referred to above, errors or irregularities 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.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be a reportable condition under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of the specific internal control structure elements does not reduce to a relatively low level that risk that errors or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. However, we noted the following matter involving segregation of duties that we consider to be a material weakness as described above. This condition was considered in determining the nature, timing and extent of procedures performed in our audit of Atlantic Securities, Inc., for the year ended December 31, 2014 and this report does not affect our report thereon dated January 24, 2015.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be a reportable condition under standards established by the American Institute of Certified Public Accountants. A reportable condition is a condition in which the design or operation of the specific internal control structure elements does not reduce to a relatively low level that risk that errors or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. However, we noted no matters involving the internal control structure that we consider to be a reportable condition 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 Commission 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, 2014, to meet the Commission's objectives.

This report is intended solely for the use of management, the Securities and Exchange Commission, the New York Stock Exchange and other regulatory agencies which rely on Rule 17a-5(g) under the Securities Exchange Act of 1934 and should not be used for any other purpose.

*Kuzel & Associates, P.A.*

Bel Air, Maryland  
January 24, 2015