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

SEC-FILE NUMBER
8-25549

SEC 17A-5  
 FEB 15 2018  
 Washington, DC

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 January 1, 2018 AND ENDING December 31, 2018  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: Abner Herrman & Brock, LLC  
 ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)  
Harborside 5, 185 Hudson Street, Suite 1640

OFFICIAL USE ONLY
FIRM I.D. NO.

(No. and Street)  
Jersey City NJ 07311  
(City) (State) (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT  
(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*  
Lerner & Sipkin, CPAs LLP

(Name - if individual, state last, first, middle name)  
132 Nassau Street, Suite 1023 New York NY 10038  
(Address) (City) (State) (Zip Code)

**CHECK ONE:**

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

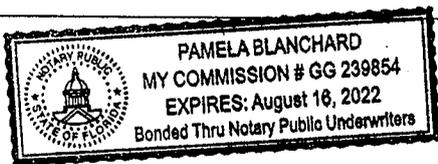
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\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

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OATH OR AFFIRMATION

I, HOWARD J ABNER, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of ABNER HERRMAN + BROCK, as of Dec 31, 2018, 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:



Pamela Blanchard 7/8/2019

Notary Public

[Signature]  
Signature

CHAIRMAN

Title

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

- (a) Facing Page.
- (b) Statement of Financial Condition.
- (c) Statement of Income (Loss) or, if there is other comprehensive income in the period(s) presented, a Statement of Comprehensive Income (as defined in §210.1-02 of Regulation S-X).
- (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).

**Abner Herrman & Brock, LLC**  
**Statement of Financial Condition**  
**December 31, 2018**

**ASSETS**

Cash and cash equivalents	\$ 1,540,129
Advisory fees receivable	62,571
Fixed assets and leasehold improvements - net of accumulated depreciation and amortization of \$ 376,344 (Note 2(d))	78,990
Other assets	<u>48,832</u>
<b>Total Assets</b>	<b>\$ <u>1,730,522</u></b>

**LIABILITIES AND MEMBER'S CAPITAL**

Liabilities:	
Accounts payable and accrued expenses	\$ <u>384,622</u>
<b>Total Liabilities</b>	<u>384,622</u>
<b>Commitments and Contingencies (Notes 3 and 5)</b>	
<b>Capital (Note 6)</b>	<u>1,345,900</u>
<b>Total Liabilities and Member's Capital</b>	<b>\$ <u>1,730,522</u></b>

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

**Abner Herrman & Brock, LLC**  
**Notes to Financial Statements**  
**December 31, 2018**

**Note 1. Nature of Business**

Abner Herrman & Brock, LLC (The "Company") clears all securities transactions through its clearing broker on a fully disclosed basis, and consequently operates under the exemptive provisions of S.E.C. Rule 15c3-3(k)(2)(ii). Also, the Company provides investment advisory services mainly to individual investors.

**Note 2. Summary of Significant Accounting Policies**

a) ***Revenue Recognition***

Securities transactions (and the recognition of related income and expenses) are recorded on a settlement date basis, generally the third business day following the transaction date. There is no material difference between trade and settlement date.

Investment advisory fees are recognized as revenues as earned.

b) ***Cash and Cash Equivalents***

For the purpose of the statement of cash flows, the Company considers demand deposited money market funds to be cash and cash equivalents.

c) ***Income Taxes***

Income taxes are not payable by, or provided for, the Company. Members are taxed individually on their share of Company earnings for federal and state income tax purposes.

d) ***Property and Equipment***

Property and equipment are depreciated on the straight-line method over an estimated useful life of four to seven years.

Leasehold improvements are recorded at cost and are amortized in accordance with the straight-line method over the length of the lease.

e) ***Use of Estimates***

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, and the reported amounts of revenues and expenses.

f) ***Subsequent Events***

The Company has evaluated events and transactions that occurred between December 31, 2018 and January 24, 2019, which is the date the financial statements were available to be issued, for possible disclosure and recognition in the financial statements.

**Abner Herrman & Brock, LLC**  
**Notes to Financial Statements**  
**December 31, 2018**

**Note 3. Commitments and Contingencies**

The Company rents office space pursuant to a lease agreement expiring September 30, 2022.

The aggregate minimum annual rent commitment follows, exclusive of escalation charges:

<u>Year</u>	<u>Amount</u>
2019	\$ 170,170
2020	\$ 170,170
2021	\$ 170,170
2022	\$ 127,627

In connection with new FASB standard 842 regarding leases, which take effect as of the first day of the fiscal year beginning after December 31, 2018, Management has evaluated the financial impact the standard will have on the Company's Financial Statements when adapted.

As of January 1, 2019 the Company will record a Right of Use Asset in the amount of approximately \$570,000 and a Lease Liability of approximately \$570,000. The impact to the Company's net capital will be \$0, as the Right of Use Asset will be allowable to the extent of the lease liability.

**Note 4. Profit Sharing Plan**

The Company maintains a defined contribution plan covering substantially all employees. The Company contributes annually a match contribution based upon the amount the employees contribute and, at the discretion of management, up to 15% of the eligible compensation. For the year ended December 31, 2018, the Company contributed \$10,865.

**Note 5. Financial Instruments with Off-Balance Sheet Credit Risk**

As a securities broker, the Company is engaged in buying and selling securities for a diverse group of institutional and individual investors. The Company's transactions are collateralized and are executed with and on behalf of banks, brokers and dealers and other financial institutions. The Company introduces these transactions for clearance to another broker/dealer on a fully disclosed basis.

The Company's exposure to credit risk associated with non-performance of customers in fulfilling their contractual obligations pursuant to securities transactions can be directly impacted by volatile trading markets which may impair customers' ability to satisfy their obligations to the Company and the Company's ability to liquidate the collateral at an amount equal to the original contracted amount.

The agreement between the Company and its clearing broker provides that the Company is obligated to assume any exposure related to such non-performance by its customers. The Company seeks to control the aforementioned risks by requiring customers to maintain margin collateral in compliance with various regulatory requirements and the clearing brokers internal guidelines. The Company monitors its customer activity by reviewing information it receives from its clearing broker on a daily basis, and requiring customers to deposit additional collateral, or reduce positions when necessary.

**Abner Herrman & Brock, LLC**  
**Notes to Financial Statements**  
**December 31, 2018**

**Note 6. Recently Issued Accounting Pronouncements**

The Financial Accounting Standards Board (the "FASB") has established the Accounting Standards Codification ("Codification" or "ASC") as the authoritative source of generally accepted accounting principles ("GAAP") recognized by the FASB. The principles embodied in the Codification are to be applied by nongovernmental entities in the preparation of financial statements in accordance with GAAP in the United States. New accounting pronouncements are incorporated into the ASC through the issuance of Accounting Standards Updates ("ASUs").

**Note 7. Net Capital Requirement**

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 requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 1500%. At December 31, 2018, the Company had net capital of \$1,145,899, which was \$1,120,256 in excess of its required net capital of \$25,643. The Company's net capital ratio was 33.57%.

A copy of the Company's Statement of Financial Condition as of December 31, 2018, pursuant to SEC Rule 17a-5 is available for examination at the Company's office and at the regional office of the Securities and Exchange Commission and the office of the Financial Industry Regulatory Authority.

**Abner Herrman & Brock, LLC**  
**Computation of Net Capital Under S.E.C. Rule 15C3-1**  
**December 31, 2018**

Credit Factors		
Capital		\$ <u>1,345,900</u>
Total credit factors		
Debit Factors		
Advisory fees receivable		62,746
Other assets		48,832
Fixed assets and leasehold improvements - net		78,990
Capital charges pursuant to Rule 15c3-1		<u>9,433</u>
Total debit factors		<u>200,001</u>
Net Capital		1,145,899
Less: Minimum net capital requirements		
Greater of 6 2/3% of aggregate indebtedness or \$5,000		<u>25,641</u>
Remainder: Capital in excess of all requirements		<u>\$ 1,120,258</u>
Capital ratio (maximum allowance 1500%)		
(*) Aggregate indebtedness	<u>384,622</u>	
Divided by: Net capital		1,145,899 = 33.57 %
(*) Aggregate indebtedness:		
Accounts payable and accrued expenses		<u>\$ 384,622</u>

Statement Pursuant to Paragraph (d)(4) of Rule 17a-5

There are no material differences between this computation of net capital and the corresponding computation prepared by the Company and included in its unaudited Part IIA Focus Report, as of December 31, 2018.



**LERNER & SIPKIN**  
CERTIFIED PUBLIC ACCOUNTANTS LLP

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Joseph G. Sipkin, C.P.A.  
jsipkin@lernerpsipkin.com

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Members of  
Abner, Herrman & Brock LLC  
Harborside 5  
185 Hudson Street, Suite 1640  
Jersey City, NJ 07311

**Opinion on the Financial Statement**

We have audited the accompanying statement of financial condition of Abner, Herrman & Brock LLC as of December 31, 2018, and the related notes (collectively referred to as the financial statement). In our opinion, the statement of financial condition presents fairly, in all material respects, the financial position of Abner, Herrman & Brock LLC as of December 31, 2018 in conformity with accounting principles generally accepted in the United States of America.

**Basis for Opinion**

The financial statement is the responsibility of Abner, Herrman & Brock LLC's management. Our responsibility is to express an opinion on Abner, Herrman & Brock LLC's financial statement based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to Abner, Herrman & Brock LLC in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is 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 statement, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, 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 provides a reasonable basis for our opinion.

*Lerner & Sipkin CPAs LLP*  
Lerner & Sipkin CPAs, LLP  
Certified Public Accountants (NY)

We have served as Abner, Herrman & Brock LLC's auditor since 1997.

New York, NY  
January 24, 2019