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

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**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 01/01/19 AND ENDING 12/31/19  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: York Securities Inc.

OFFICIAL USE ONLY
FIRM I.D. NO.

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

160 Broadway Floor 7, East Building

(No. and Street)

New York

NY

10038

(City)

(State)

(Zip Code)

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

Iliana Stamenova

(212) 668-8700

(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 St, Ste 1023

New York

SEC Mail Processing  
NY 10038

(Address)

(City)

(State)

(Zip Code)

FEB 05 2020

CHECK ONE:



Certified Public Accountant



Public Accountant



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

Washington, DC

**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, David W. Corcoran, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of York Securities Inc. as of December 31, 2019, 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:

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

David W. Corcoran  
Signature  
\_\_\_\_\_  
Vice President  
Title

Melinda Kirsch  
Notary Public

MELINDA KIRSCH  
Notary Public, State of New York  
No. 02K15042290  
Qualified in New York County  
Commission Expires, April 17, 2023

- 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).

# **York Securities, Inc.**

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## **Statement of Financial Condition**

**As of and for the Year Ended December 31, 2019**

**This report is deemed PUBLIC in accordance with Rule 17a-5(e)(3) under the Securities Exchange Act of 1934.**

# York Securities, Inc.

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As of and for the Year Ended December 31, 2019

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**LERNER & SIPKIN**  
CERTIFIED PUBLIC ACCOUNTANTS LLP

132 Nassau Street, New York, NY 10038 Tel 212.671.0064 / Fax 212.571.0074

Jay Lerner, C.P.A.  
jlerner@lernerstpkin.com

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

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Stockholders of  
York Securities, Inc.  
160 Broadway  
New York, NY 10038

**Opinion on the Financial Statement**

We have audited the accompanying statement of financial condition of York Securities, Inc. as of December 31, 2019, 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 York Securities, Inc. as of December 31, 2019 in conformity with accounting principles generally accepted in the United States of America.

**Basis for Opinion**

The financial statement is the responsibility of York Securities, Inc.'s management. Our responsibility is to express an opinion on York Securities, Inc.'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 York Securities, Inc. 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.

*Joseph G. Sipkin, C.P.A., LLP*  
Lerner & Sipkin CPAs, LLP  
Certified Public Accountants (NY)

We have served as York Securities, Inc.'s auditor since 2008.

New York, NY  
January 17, 2020

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**York Securities, Inc.**

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Statement of Financial Condition  
Year Ended December 31, 2019

**ASSETS**

Cash	\$ 34,010
Due from brokers	553,297
Securities owned - at market value	790,495
Other assets	<u>163,272</u>
<b>TOTAL ASSETS</b>	<b>\$ 1,541,073</b>

**LIABILITIES AND MEMBER'S EQUITY**

**LIABILITIES:**

Accounts payable and accrued expenses	\$ <u>142,944</u>
<b>TOTAL LIABILITIES</b>	<b><u>142,944</u></b>

**STOCKHOLDER'S EQUITY**

Common stock, no par value, 200 shares authorized, 20 shares issued and outstanding	200,000
Additional paid-in capital	575,926
Retained earnings	<u>622,203</u>
Total stockholder's equity	<u>1,398,129</u>
<b>TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY</b>	<b>\$ <u>1,541,073</u></b>

See Report of Independent Registered Public Accounting Firm and  
Notes to Financial Statement.

# York Securities, Inc.

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Notes to Financial Statement  
Year Ended December 31, 2019

## 1. Organization and Nature of Business

York Securities (The "Company") is primarily a discount securities broker registered with the Securities and Exchange Commission ("SEC") and is a member of the Financial Industry Regulatory Authority. The Company's customers are located throughout the United States.

The Company is exempt from the provisions of Rule 15c3-3 under the Securities Exchange Act of 1934 in that the Company's activities are limited to those set forth in the conditions for exemption appearing in paragraph (k)(2)(ii) as a result of the Company clearing all transactions on behalf of customers, on a fully disclosed basis with a clearing broker/dealer.

## 2. Summary of Significant Accounting Policies

### a) Basis of Accounting

The financial statements are prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Revenue is recognized when earned, while expenses and losses are recognized when incurred.

### b) Cash and Cash Equivalents

The Company considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Cash and cash equivalents consist of funds maintained in checking and money market accounts held at financial institutions.

The Company's cash and cash equivalents are held principally at one financial institution and at times may exceed federally insured limits. The Company has placed these funds in a high quality institution in order to minimize risk relating to exceeding insured limits.

### c) Revenue Recognition

Securities transactions (and the recognition of related income and expenses) are recorded on a trade date basis. Commission income and related income and expense are recorded on a settlement date basis. Marketable securities owned or sold, but not yet purchased, are carried at market value. There is no material difference between settlement date and trade date.

### d) Income Taxes

The Company has elected to be treated as an "S" Corporation under the provisions of the Internal Revenue Code and New York State tax regulations. Under the provisions, the Company does not pay federal or state corporate income taxes on its taxable income. Instead, the stockholder is liable for individual income taxes on their respective share of the Company's taxable income. The Company continues to pay New York City general corporation taxes.

### e) Investment Valuation

The Company utilizes various methods to measure the fair value of most of its investments on a recurring basis. US GAAP establishes a hierarchy that prioritizes inputs to valuation methods. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e., the "exit price") in an orderly transaction between market participants at the measurement date. The three levels of inputs are:

Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities that the Fund has the ability to access.

## York Securities, Inc.

Notes to Financial Statement  
Year Ended December 31, 2019

### e) Investment Valuation (Continued)

Level 2 - Observable inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly. These inputs may include quoted prices for the identical instrument on an inactive market, prices for similar instruments, interest rates, prepayment speeds, credit risk, yield curves, default rates and similar data.

Level 3 - Unobservable inputs for the asset or liability, to the extent relevant observable inputs are not available, representing the Company's own assumptions about the assumptions a market participant would use in valuing the asset or liability, and would be based on the best information available.

The availability of observable inputs can vary from security to security and is affected by a wide variety of factors, including, for example, the type of security, whether the security is new and not yet established in the marketplace, the liquidity of markets, and other characteristics particular to the security. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in level 3.

The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement falls in its entirety is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

The following table represents the Company's fair value hierarchy for those assets and liabilities measured at fair value on a recurring basis at December 31, 2019:

Assets	Level 1	Level 2	Level 3	Total
Equities	\$ 672,880	\$ -	\$ 10,346	\$ 683,226
Corporate Debt	107,269	-	-	107,269
	\$ 780,149	\$ -	\$ 10,346	\$ 790,495

Investments in securities listed on a national exchange are valued at the last reported sales price on the day of valuation. Securities traded in the over-the-counter market and listed securities for which no sale was reported on that date are stated at the last quoted bid price. Other assets and securities for which market quotations are not readily available are valued at fair value as determined by management in accordance with US GAAP. The resulting unrealized gains and losses are reflected in the statement of operations. Realized gains and losses from securities transactions are determined on the basis of identified cost.

### 3. Due From Clearing Broker

Pursuant to an agreement with a clearing broker, the Company is required to maintain a clearing deposit of \$250,000. As of December 31, 2019, such deposit is included in due from brokers which is included on the accompanying statement of financial condition.

## York Securities, Inc.

Notes to Financial Statement  
Year Ended December 31, 2019

### 4. Indemnifications

In the normal course of its business, the Company indemnifies and guarantees certain service providers against specified potential losses in connection with their acting as an agent of, or providing services to, the Company. The maximum potential amount of future payments that the Company could be required to make under these Indemnifications cannot be estimated. However, the Company believes that it is unlikely it will have to make material payments under these arrangements and has not recorded any contingent liability in the financial statements for these indemnifications.

The Company provides representations and warranties to counterparties in connection with a variety of commercial transactions and occasionally indemnifies them against potential losses caused by the breach of those representations and warranties. The Company may also provide standard indemnifications to some counterparties to protect them in the event additional taxes are owed or payments are withheld, due either to a change in or adverse application of certain tax laws. These indemnifications generally are standard contractual terms and are entered into in the normal course of business. The maximum potential amount of future payments that the Company could be required to make under these indemnifications cannot be estimated. However, the Company believes that it is unlikely it will have to make material payments under these arrangements and has not recorded any contingent liability in the financial statements for these indemnifications.

### 5. Commitments and Contingencies

The Company leases office space pursuant to an operating lease expiring September 30, 2021. The future minimum rental commitments through termination is as follows:

Year Ending December 31, 2019	Total Commitments
2020	75,964
2021	<u>58,245</u>
	\$ 134,209

The lease has been guaranteed by the shareholder. Rent expense for 2019 was approximately \$84,939.

Pursuant to FASB standard 842, regarding leases, which took effect as of the first day of the fiscal year after December 15, 2018, the Company has reflected a right-of-use asset in the amount of approximately \$125,000, and a lease liability in the amount of approximately \$131,000. There is no material impact to the Company's net capital, as the right-of-use asset is allowable to the extent of an offsetting lease liability.

### 6. Financial Instruments with Off-Balance Sheet Credit Risk

In the normal course of its business, the Company enters into financial transactions where the risk of potential loss due to changes in the market (market risk) or failures of the other parties to the transaction to perform (counterparty risk) exceeds the amounts recorded for the transaction.

## **York Securities, Inc.**

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Notes to Financial Statement  
Year Ended December 31, 2019

### **6. Financial Instruments with Off-Balance Sheet Credit Risk (Continued)**

The Company's policy is to continuously monitor its exposure to the market and counterparty risk through the use of a variety of financial, position and credit exposure reporting and control procedures. In addition, the Company has a policy of reviewing the credit standing of each broker dealer, clearing organization and/or other counterparty with which it conducts business.

### **7. Net Capital Requirement**

The Company is subject to the Securities and Exchange Commission Uniform Net Capital 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 800% in the first year of operations, and 1500% in every year thereafter. At December 31, 2019, the Company had net capital of \$1,232,382 which was \$1,132,382 in excess of its required net capital of \$100,000. The Company's aggregate indebtedness to net capital ratio was 1.46%.

### **8. Subsequent Events**

The Company has evaluated events and transactions that occurred between January 1, 2020 and January 17, 2020, which is the date the financial statements were available to be issued, for possible disclosure and recognition in the financial statements.

**YORK SECURITIES, INC.**

**Schedule of the Determination of SIPC Net Operating Revenues and  
General Assessment**

**For the year ended December 31, 2019**

**YORK SECURITIES INC.**

**Schedule of the Determination of SIPC Net Operating Revenues and General Assessment  
For the year ended December 31, 2019**

**Determination of SIPC Net Operating Revenues:**

Total Revenues (FOCUS line 12/ Part IIA line 9)	\$ 1,972,199
Additions	95,971
Deductions	<u>(730,155)</u>
SIPC Net Operating Revenues	<u>\$ 1,338,015</u>

**Determination of General Assessment:**

SIPC Net Operating Revenues:	<u>\$ 1,338,015</u>
General Assessment @ .0015	<u>2,007</u>

**Assessment Remittance:**

Less: Payment made with Form SIPC-6 in July, 2019	<u>(1,041)</u>
Assessment Balance Due	<u>\$ 966</u>

**Reconciliation with the Company's Computation of SIPC Net Operating Revenues for the  
year ended December 31, 2019.**

SIPC Net Operating Revenues as computed by the Company on Form SIPC-7	\$ 1,338,015
SIPC Net Operating Revenues as computed above	<u>1,338,015</u>
Difference	<u>\$ -</u>



**LERNER & SIPKIN**  
CERTIFIED PUBLIC ACCOUNTANTS LLP

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jlerner@lernerpsipkin.com

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

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM ON  
APPLYING AGREED-UPON PROCEDURES**

To the Board of Directors of  
York Securities, Inc.  
160 Broadway  
New York, NY 10038

Gentlemen:

In accordance with Rule 17a-5(e)(4) under the Securities Exchange Act of 1934 and with the SIPC Series 600 Rules, we have performed the procedures enumerated below, which were agreed to by York Securities, Inc. and the Securities Investor Protection Corporation (SIPC) with respect to the accompanying General Assessment Reconciliation (Form SIPC-7) of York Securities, Inc. for the year ended December 31, 2019, solely to assist you and SIPC in evaluating the York Securities, Inc.'s compliance with the applicable instructions of the General Assessment Reconciliation (Form SIPC-7). York Securities, Inc.'s management is responsible for the York Securities, Inc.'s compliance with those requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the Public Company Accounting Oversight Board (United States). The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose. The procedures we performed and our findings are as follows:

- 1- Compared the listed assessment payments in Form SIPC-7 with respective cash disbursement records entries, noting no differences;
- 2- Compared the Total Revenue amount reported on the Annual Audited Report Form X-17A-5 Part III for the year ended December 31, 2019 with the Total Revenue amount reported in the Form SIPC-7 for the year ended December 31, 2019, noting no differences;
- 3- Compared any adjustments reported in Form SIPC-7 with supporting schedules and working papers, noting no differences;
- 4- Recalculated the arithmetical accuracy of the calculations reflected in Form SIPC-7 and in the related schedules and working papers supporting the adjustments, noting no differences; and
- 5- Compared the amount of any overpayment applied to the current assessment with the Form SIPC-7 on which it was originally computed, noting no differences.

We were not engaged to, and did not conduct an examination, the objective of which would be the expression of an opinion on compliance with the applicable instructions of the Form SIPC-7. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the specified parties listed above and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

  
Lerner & Sipkin CPAs, LLP (NY)  
January 17, 2020