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

SEC FILE NUMBER
 8-50492

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 01/01/2019 AND ENDING 12/31/2019
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: **Port Securities, Inc.**

OFFICIAL USE ONLY
 FIRM I.D. NO.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)
2717 W Coast HWY

(No. and Street)
Newport Beach CA 92663
(City) (State) (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT
 Richard H Lemmon Jr. 949-574-9286
(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*
Brian W. Anson, CPA

(Name - if individual, state last, first, middle name)
18401 Burbank Blvd., #120 Tarzana CA 91356
(Address) (City) (State) (Zip Code)

CHECK ONE:

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

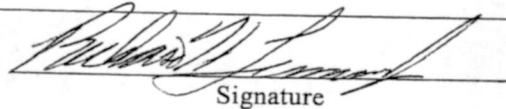
FOR OFFICIAL USE ONLY

*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, Richard H Lemmon Jr., swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Port Securities, Inc. 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:


Signature

President
Title

Notary Public

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).

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of Orange)
On February 10, 2020 before me, Natalie Asik, Notary Public
Date Here Insert Name and Title of the Officer
personally appeared Richard H. Lemmon
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.
Signature [Handwritten Signature]
Signature of Notary Public



Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document
Title or Type of Document: Oath or Affirmation
Document Date: _____ Number of Pages: _____
Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)
Signer's Name: _____
 Corporate Officer - Title(s): _____
 Partner - Limited General
 Individual Attorney in Fact
 Trustee Guardian or Conservator
 Other: _____
Signer Is Representing: _____

Signer's Name: _____
 Corporate Officer - Title(s): _____
 Partner - Limited General
 Individual Attorney in Fact
 Trustee Guardian or Conservator
 Other: _____
Signer Is Representing: _____

BRIAN W. ANSON

Certified Public Accountant

18401 Burbank Blvd., Suite 120, Tarzana, CA 91356 • Tel. (818) 636-5660 • Fax (818) 401-8818

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholder's and Board of Directors of Port Securities, Inc.

Opinion on the Financial Statements

I have audited the accompanying statement of financial condition of Port Securities, Inc. as of December 31, 2019, the related statements of income, changes in stockholder's equity, and cash flows for the year then ended, and the related notes (collectively referred to as the financial statements). In my opinion, the financial statements present fairly, in all material respects, the financial position of Port Securities, Inc. as of December 31, 2019, 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.

Basis for Opinion

These financial statements are the responsibility of Port Securities, Inc.'s management. My responsibility is to express an opinion on Port Securities, Inc.'s financial statements based on my audit. I am a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and am required to be independent with respect to Port 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.

I conducted my audit in accordance with the standards of the PCAOB. Those standards require that I 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. My 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 included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. My audit also included evaluating the accounting principles used and significant estimates made by management, as evaluating the overall presentation of the financial statements. I believe that my audit provides a reasonable basis for my opinion.

Auditor's Report on Supplemental Information

The information contained in Schedule I, II, and III ("Supplemental Information") has been subjected to audit procedures performed in conjunction with the audit of the Port Securities, Inc.'s financial statements. The Supplemental Information is the responsibility of the Port Securities, Inc.'s management. My audit procedures included determining whether the Supplemental Information reconciles to the financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the Supplemental Information. In forming my opinion on the Supplemental Information, I evaluated whether the Supplemental Information, including its form and content is presented in conformity with 17 C.F.R. § 240.17a-5. In my opinion, Schedules I, II, and III are fairly stated, in all material respects, in relation to the financial statements taken as a whole.



Brian W. Anson

Certified Public Accountant

I have served as Port Securities, Inc.'s auditor since 2018.

Tarzana, California

February 7, 2020

Port Securities, Inc.
Statement of Financial Condition
December 31, 2019

ASSETS

Cash	\$ 103,104
Clearing deposit	50,404
Commissions receivable	27,083
Prepaid expenses	5,893
Furniture and equipment net of accumulated depreciation of \$0	
Total Assets	<u>\$ 186,484</u> =====

LIABILITIES AND STOCKHOLDER'S EQUITY

Liabilities

Accounts payable and accrued expenses	\$ 24,767
Total Liabilities	<u>\$ 24,767</u>

Stockholder's Equity

Common stock (1,500 shares authorized, 51 shares Issued and outstanding, no par value)	\$ -
Paid-in capital	28,500
Retained Earnings	133,217
Total Stockholder's Equity	<u>161,717</u> -----

Total Liabilities and Stockholder's Equity	<u>\$ 186,484</u> =====
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See Auditor's Report and Accompanying Notes to Financial Statements

Port Securities, Inc.
Statement of Income
For The Year Ended December 31, 2019

Revenue		
Commissions	\$	356,673
12b1 Fees		53,952
Interest income		2,099
		<hr/>
Total Revenue		412,724
		<hr/>
Operating Expenses		
Auto		11,243
Clearing charges		45,408
Commissions		175,324
Data and communications		9,915
Insurance		1,303
Office expenses		2,196
Professional services		10,940
Regulatory fees		7,548
Rent		12,144
Salaries, wages and related expenses		30,000
Telephone		5,034
Travel and entertainment		47,411
All others		5,671
		<hr/>
Total Operating Expenses		364,137
		<hr/>
Income before tax provision		48,326
Income tax provision		800
		<hr/>
Net Income		47,787
		<hr/>
		=====

See Auditor's Report and Accompanying Notes to Financial Statements

Port Securities, Inc.
Statement of Changes In Stockholder's Equity
For The Year Ended December 31, 2019

	Common Stock Shares	Common Stock	Paid-In Capital	Retained Earnings	Total
Balance December 31, 2018	51	\$ -	\$ 28,500	\$ 140,430	\$ 168,930
Net Income				47,787	47,787
Distributions				(55,000)	(55,000)
Balance December 31, 2019	51	\$ -	\$ 28,500	\$ 133,217	\$ 161,717

See Auditor's Report and Accompanying Notes to Financial Statements

Port Securities, Inc.
Statement of Cash Flow
For The Year Ended December 31, 2019

Cash Flows from Operating Activities	
Net Income	\$ 47,787
Adjustments to reconcile net income to net cash provided by operating activities:	
(Increase) decrease in Clearing Deposit	(228)
(Increase) decrease in Commission receivable	(13,769)
(Increase) decrease in prepaid expenses	86
Increase (decrease) in accounts payable	17,204
 Net cash flows from operating activities	 51,080
 Cash Flows from Investing Activities	
	-
 Cash Flows from Financing Activities	
Distributions	(55,000)
 Net cash flows used in financing activities	 (55,000)
 Net decrease in cash	 (3,920)
 Cash at beginning of year	 \$ 107,024
 Cash at December 31, 2019	 \$ 103,104
 Supplemental Information	
Interest paid	\$ -
Income taxes paid	\$ 800

See Auditor's Report and Accompanying Notes to Financial Statements

Port Securities, Inc.
Notes to Financial Statement
December 31, 2019

Note 1 – Organization and Nature of Business

Port Securities, Inc. (the “Company”) was incorporated in the State of California on July 9, 1997. The Company is a registered broker-dealer with the Securities and Exchange Commission (SEC), the Financial Industry Regulatory Authority (“FINRA”), Municipal Securities Rulemaking Board (“MSRB”) and the Securities Investor Protection Corporation (“SIPC”).

Note 2 – Significant Accounting Policies

Basis of Presentation – The Company conducts the following types of business as a securities broker-dealer, which comprises several classes of services, including:

- Broker or dealer retailing corporate equity services, including:
 - Broker or dealer selling corporate debt securities
 - Mutual fund retailer
 - Municipal securities broker
- Broker or dealer selling variable life insurance or annuities
- Put and call broker or dealer or option writer
- Private placement of securities

The Company is exempt from the requirement of Rule 15c3-3 under the Securities Exchange Act of 1934 pertaining to the possession or control of customer assets and reserve requirements.

The presentation of financial statements in conformity with 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 and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Revenue is measured based on a consideration specified in a contract with a customer, and excludes any sales incentives and amounts collected on behalf of third parties. The Company recognizes revenue when it satisfied a performance obligation by transferring control over a product or service to a customer.

The following is a description of activities- separated by reportable segments, per FINRA Form “Supplemental Statement of Income (SSOI)” ; from which the Company generates its revenue.

Commissions: This includes performance obligations related to transactions that is subject to SEA Rule 10b-10 for any remuneration that would need to be disclosed. It also includes any transaction when the Company is engaged as an agent. It does not include net gains or losses from transactions made by the Company when acting as a principal, or riskless principal.

Port Securities, Inc
Notes to Financial Statement
December 31, 2019

Revenue from the sale of Investment Company Shares: This includes concessions earned from the sale of open-end mutual funds that contain a load. Included are commissions charged on transactions on no load funds and UIT's to the extent they are open end companies.

Revenue from sale of Insurance Based Products: This includes revenue from any variable annuity or any Other financial instrument that contains an insurance and security component and includes fixed Annuities.

Interest/Rebate/Dividend Income. This includes rebates and/or interest earned on Securities borrowings; reverse repurchase transactions; Margin interest; interest earned from customer bank sweep into FDIC insured products and '40 Act investments and any interest and/or dividends on securities held in Firm inventory.

Fees earned: This includes fees earned from affiliated entities; investment banking fees, M&A advisory; Account supervision and investment advisory fees; administrative fees, revenue from research services; Rebates from exchanges/ECN and ATS; 12b-1 fees; Mutual fund fees other than concessions or 12b-1 fees; execution service fees; clearing services; fees earned from customer bank sweep into FDIC insured Products or from '40 Act companies and networking fees from '40 Act companies.

Taxes and regulatory fees assessed by a government authority or agency that are both imposed on and concurrent with a specified revenue-producing transaction, that are collected by the Company from a customer, are excluded from revenue.

Commissions- Commissions and related clearing expenses are recorded on a trade-date basis as Securities transactions occur.

Provision for Income Taxes- The Company has elected to be taxed under the provisions of subchapter S of the Internal Revenue Code and comparable State of California statutes wherein the Company's Taxable federal and state income is taxed directly to the stockholder. Additionally, the state of California Imposes a 1.5% state franchise tax on the corporation's taxable income.

The accounting principles generally accepted in the United States of America provide accounting and disclosure guidance about positions taken by an organization in its tax returns that might be uncertain. Management has considered its tax positions and believes that all of the positions taken by the Company in its Federal and State organizations tax returns are more likely than not to be sustained upon examination. The Company is subject to examination by U.S. Federal and State tax authorities from 2016 to the present, generally for three years after they are filed.

Depreciation – Depreciation is provided on a straight-line basis using estimated useful lives of five to Ten years. Leasehold improvements are amortized over the lesser of the economic useful life of the improvement or the term of the lease.

Port Securities, Inc
Notes to Financial Statement
December 31, 2019

Note 3 – Fair Value

Unless otherwise indicated, the fair values of all reported assets and liabilities that represent financial Instruments (none of which are held for trading purposes) approximate the carrying values of such amounts.

Note 4- Receivable from and Payable to Broker-Dealers and Clearing Organizations

Amounts receivable from and payable to broker-dealers and clearing organizations at December 31, 2019, consist of the following:

	Receivable	Payable
Fees and commissions receivable/payable	\$27,083	\$0

The Company clears certain of its proprietary and customer transactions through another broker-dealer on a fully disclosed basis.

Note 5 – Concentration of Credit Risk

The Company is engaged in various trading and brokerage activities in which counter-parties primarily include broker-dealers, banks, and other financial institutions. In the event counter-parties do not fulfill their obligations, the Company may be exposed to risk. The risk of default depends on the creditworthiness of the counter-party or issuer of the instrument. It is the Company's policy to review, as necessary, the credit standing of each counter-party.

Note 6 – Net Capital Requirements

The Company is subject to the SEC Uniform 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. *Rule 15c3-1 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 of December 31, 2019, the Company had net capital of \$155,824 which was \$150,824 in excess of its required net capital of \$5,000. The Company's net capital ratio was .16 to 1.

Note 7 – Income Taxes

As discussed in note 2 – Significant Accounting Policies, the Company is subject to a 1.5% tax on net income over the minimum tax of \$800. At December 31, 2019 the Company recorded franchise tax of \$800.

Note 8 – Deposit – Clearing Organization

Port Securities, Inc
Notes to Financial Statement
December 31, 2019

The Company has an agreement with a clearing broker which requires a minimum deposit of \$50,000.

Note 9 – Exemption from the SEC Rule 15c3-3

The Company is an introducing broker-dealer that clears all transactions with and for customers on a fully disclosed basis with an independent securities clearing company and promptly transmits all customer funds and securities to the clearing company, which carries all of the accounts of such customers and maintains and preserves such books and records pertaining thereto pursuant to the requirements of the SEC Rule 17a-3 and 17-a-4, as are customarily made and kept by a clearing broker or dealer.

Note 10 – Operating Lease

The Company leases office space on a month-to-month basis. Rent expense for the year ended December 31, 2019 was \$12,144. Management has reviewed ASC 842 Lease Accounting and does not believe that it is applicable to the Company as their lease is on a month to month basis.

Note 11 – Subsequent Events

Management has reviewed the results of operations for the period of time from its year end December 31, 2019 through February 7, 2020, the date the financial statements were available to be issued, and has determined that no adjustments are necessary to the amounts reported in the accompanying financial statements nor have any subsequent events occurred, the nature of which would require disclosure.

Port Securities, Inc.
Schedule I – Computation of Net Capital Requirement
December 31, 2019

Computation of Net Capital	
Total ownership equity from statement of financial condition	\$ 168,930
Nonallowable assets	
Prepaid expenses	(5,893)
Net Capital	<u>155,824</u>
	=====
Computation of Net Capital Requirements	
Minimum net aggregate indebtedness	
6-2/3 % of net aggregate indebtedness	1,651

Minimum dollar net capital required	5,000

Net Capital required (grater of above amounts)	5,000
Excess Capital	-----
Excess net capital at 1000% (net capital less 10% of Aggregate indebtedness)	150,824

Computation of Aggregate Indebtedness	
Total liabilities	27,767

Aggregate Indebtedness to net capital	.16
	=====
The following is a reconciliation of the above net capital computation with the Company's corresponding unaudited computation pursuant to Rule 179-5(d)(4):	
Net Capital per Company's Computation	155,824
Variance	
Net Capital per Audited Report	<u>155,824</u>
	=====

Port Securities, Inc
Schedule II – Computation for Determination of Reserve
Requirement Pursuant to Rule 15c3-3
As of December 31, 2019

As computation of reserve requirement is not applicable to Port Securities, Inc. as the Company qualifies for exemption under Rule 15c3-3 (k) (2) (ii) and (k) (1).

Port Securities, Inc.
Schedule III – Information Relating to Possession or Control
Requirements under Rule 15c3-3
As of December 31, 2019

Information relating to possession or control requirements is not applicable to Port Securities, Inc. as the Company qualifies for exemption under Rule 15c3-3 (k) (2) (ii) and (k) (1).

PORT SECURITIES, INC.

Member FINRA/SIPC

February 7, 2020

Brian Anson, CPA
18401 Burbank Blvd., Suite 120
Tarzana, CA 91356

RE: SEA Rule 17a-5(d) (4) Exemption Report

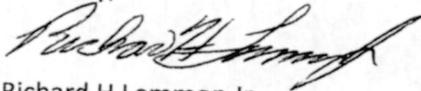
Dear Mr. Anson:

Pursuant to the referenced rule, the following information is provided.

Under its membership agreement with FINRA and pursuant to Rule 15c3-3 (k) (2) (ii) and (k) (i) the Company conducts business on a fully disclosed basis and does not execute or clear securities transactions for customers.

Port Securities, Inc. met the Section 204, 15c3-3 (k) (2) (ii) and (k) (i) exemption for the period January 1, 2019 to December 31, 2019.

Sincerely,



Richard H Lemmon Jr.
President

BRIAN W. ANSON

Certified Public Accountant

18401 Burbank Blvd., Suite 120, Tarzana, CA 91356 • Tel. (818) 636-5660 • Fax (818) 401-8818

**REPORT OF INDEPENDENT REGISTERED PUBLIC
ACCOUNTING FIRM**

Board of Directors
Port Securities, Inc.
Newport Beach, California

I have reviewed management's statements, included in the accompanying Exemption Report in which (1) Port Securities, Inc., identified the following provisions of 17 C.F.R. §15c3-3(k) under which Port Securities, Inc. claimed an exemption from 17 C.F.R. §240.15c3-3: (k) (2) (ii) and (k) (1) (the "exemption provision") and (2) Port Securities, Inc., stated that Port Securities, Inc., met the identified exemption provision throughout the most recent fiscal year without exception. Port Securities, Inc.'s management is responsible for compliance with the exemption provision and its statements.

My review was conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States) and accordingly, included inquiries and other required procedures to obtain evidence about Port Securities, Inc.'s compliance with the exemption provision. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on management's statements. Accordingly, I do not express such an opinion.

Based on my review, I am not aware of any material modifications that should be made to management's statements referred to above for them to be fairly stated, in all material respects, based on the provisions set forth in paragraph (k)(2)(ii) and (k) (1) of Rule 15c3-3 under the Securities Exchange Act of 1934.



Brian W. Anson
Certified Public Accountant
Tarzana, California
February 7, 2020