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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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: Holly Street Securities, Inc.

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

17014 New College Avenue; Suite 200-C

OFFICIAL USE ONLY
19806
FIRM I.D. NO.

(No. and Street) Wildwood MO 63040
(City) (State) (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT
Alan Clayton, Jr. (314) 775-8866
(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Ohab & Company, PA

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

100 E. Sybella Avenue; Suite 130 Maitland FL 32751
(Address) (City) (State) (Zip Code)

SEC
FL Mail Processing
Section 32751
APR 08 2020
Washington DC
413

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)

SEC 1410 (11-05)

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

OATH OR AFFIRMATION

I, Alan Clayton 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 Holly Street 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:

[Handwritten Signature]

Signature

President & CEO

Title

[Handwritten Signature] 3/28/2020
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).

Holly Street Securities, Inc.
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December 31, 2019

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Ohab and Company, P.A.

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Maitland, FL 32751

Certified Public Accountants
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Telephone 407-740-7311
Fax 407-740-6441

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders
of Holly Street Securities, Inc.

Opinion on the Financial Statements

We have audited the accompanying statement of financial condition of Holly Street Securities, Inc. as of December 31, 2019, the related statements of operations, changes in stockholder's equity, and cash flows for the year then ended, and the related notes and schedules (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of Holly Street 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 Holly Street Securities, Inc.'s management. Our responsibility is to express an opinion on Holly Street Securities, Inc.'s financial statements 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 Holly Street 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 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 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.

Auditor's Report on Supplemental Information

The Schedules I, II and III (see page numbers 9, 10 & 11) have been subjected to audit procedures performed in conjunction with the audit of Holly Street Securities, Inc.'s financial statements. The supplemental information is the responsibility of Holly Street Securities, Inc.'s management. Our 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 our opinion on the supplemental information, we evaluated whether the supplemental information, including its form and content, is presented in conformity with 17 C.F.R. §240.17a-5. In our opinion, the Schedules I, II and III are fairly stated, in all material respects, in relation to the financial statements as a whole.

Ohab and Company, P.A.

We have served as Holly Street Securities, Inc.'s auditor since 2015.

Maitland, Florida

March 26, 2020

Holly Street Securities, Inc.
Statement of Financial Condition
For the Year Ended December 31, 2019

ASSETS	
Cash	\$ 51,577
Other assets	<u>1,470</u>
Total Assets	<u><u>53,047</u></u>
LIABILITIES AND STOCKHOLDER'S EQUITY	
Liabilities:	
Accounts payable and accrued expenses	<u>9,998</u>
Total Liabilities	<u><u>9,998</u></u>
Stockholders' Equity:	
Additional paid in Capital	80,881
Retained earnings	<u>(37,832)</u>
Total Stockholders' Equity	<u><u>43,049</u></u>
Total Liabilities and Stockholder's Equity	<u><u>\$ 53,047</u></u>

The accompanying notes are an integral part of these financial statements.

Holly Street Securities, Inc.
Statement of Operations
For the Year Ended December 31, 2019

Revenues	
Commission income	\$ 7,428
Interest income	<u>3</u>
Total Revenues	<u>7,431</u>
EXPENSES:	
Rent expense	7,347
Office expense	1,590
Telephone	4,642
Legal & professional fees	21,091
Regulatory expenses	2,195
Other expenses	<u>8,398</u>
Total Expenses	<u>45,263</u>
Net Loss	<u>\$ (37,832)</u>

The accompanying notes are an integral part of these financial statements.

Holly Street Securities, Inc.
Statement of Changes in Stockholder's Equity
December 31, 2019

	<u>Stockholders'</u> <u>Equity</u>
Balance, January 1, 2019	\$ 20,898
Capital contributions	59,983
Net loss	<u>(37,832)</u>
Balance, December 31, 2019	<u>\$ 43,049</u>

The accompanying notes are an integral part of these financial statements.

Holly Street Securities, Inc.
Statement of Cash Flows
Year Ended December 31, 2019

Cash Flows from Operating Activities:	
Net loss	\$ (37,832)
Adjustments to reconcile net loss to cash used by operating activities:	
Increase in assets	58,513
Increase in liabilities:	
Accounts payable and accrued expenses	<u>5,775</u>
Total adjustments	<u>5,775</u>
Net cash provided by operating activities	<u>26,456</u>
Net increase in cash	26,456
Cash, beginning of the year	<u>25,121</u>
Cash, end of the year	<u>\$ 51,577</u>

The accompanying notes are an integral part of these financial statements.

Holly Street Securities, Inc.
Notes to Financial Statements
December 31, 2019

1. Organization and Nature of Business

Holly Street Securities Inc (the "Company") was reincorporated under new ownership under the laws of the State of Missouri on September 13, 2017 (see note 7). The Company is a broker-dealer registered with the Securities and Exchange Commission (SEC) and is a member of the Financial Industry Regulatory Authority (FINRA). The Company is owned by HSS Holding Company LLC. Alan C. Clayton Sr., original owner of HSS Holding Company LLC, passed away in May 2019. His wife, Norma B. Clayton, inherited full ownership of HSS Holding Company LLC. Alan C. Clayton Jr. has joined the Company as the President & CEO.

The Company earns fees from customer transactions in Mutual Funds, Variable Annuities and Distributions. The Company does not receive, hold or owe customer funds or securities or carry customer accounts or trade securities.

2. Significant Accounting Policies

Basis of Presentation

The financial statements include only the accounts of the Company. The Company is engaged in a line of business as a securities broker-dealer, which is outlined in the membership agreement. This agreement shows the Company provides Mutual Funds and Variable Annuity products to clients.

Revenue Recognition

Significant Judgments. Revenue from contracts with customers includes variable annuity, mutual fund and distribution fees. The recognition and measurement of revenue is based on the assessment of individual contract terms. Significant judgment is required to determine whether performance obligations are satisfied at a point in time or over time; how to allocate transaction prices where multiple performance obligations are identified; when to recognize revenue based on the appropriate measure of the Company's progress under the contract; whether revenue should be presented gross or net of certain costs; and whether constraints on variable consideration should be applied due to uncertain future events.

Commissions. Commissions from the sale of mutual funds and variable annuities and 12b-1 fees are recognized as revenue at the point in time the associated service is fulfilled and funds are received. Commissions are recorded on the trade date (the date that the Company fills the trade order by finding and contracting with a counterparty and confirms the trade with the customer). The Company believes that the performance obligation is satisfied on the trade date because that is when the underlying financial instrument or purchaser is identified, the pricing is agreed upon and the risks and rewards of ownership of the securities have been transferred to/from the customer.

Distribution Fees. The Company enters into arrangements with managed accounts or other pooled investment vehicles (funds) to distribute shares to investors. The Company may receive distribution fees paid by the fund up front, over time, upon the investor's exit from the fund (that is, a contingent deferred sales charge), or as a combination thereof. The Company believes that its performance obligation is the sale of securities to investors and as such this is fulfilled on trade date. Any fixed amounts are recognized on the trade date and variable amounts are recognized to the extent that it is probable that a significant revenue reversal will not occur once the uncertainty is resolved. For variable amounts, as the uncertainty is dependent on the value of the shares at future points in time as well as the length of time the investor remains in the fund, both of which are highly susceptible to factors outside the Company's influence, the Company does not believe that it can overcome this constraint until the market value of the fund and the investor activities are known, which are usually monthly or quarterly. Distribution fees recognized in the current period are primarily related to performance obligations that have been satisfied in prior periods.

Holly Street Securities, Inc.
Notes to Financial Statements
December 31, 2019

2. Significant Accounting Policies (continued)

Income Taxes

The Company is a C-Corporation and files its tax returns annually. The Company evaluates all significant tax positions as required by accounting principles generally accepted in the United States of America. If required, the Company will recognize the provisions for income taxes expense in the financial statements. As of December 31, 2019, the Company has not recorded a provision for income taxes, nor does the Company believe that it has taken any positions that would require the recording of any additional tax liability. The Company does not believe that there are any unrealized tax benefits that would either increase or decrease within the next year. It is the Company's policy to recognize interest and penalties in the provision for taxes.

As of December 31, 2019, the Company has approximately \$37,832 of net operating loss carry-forward for federal income tax purposes. The resulting net prior period losses are available for future years and expire through 2031. Utilization of these losses may be severely or completely limited. There are no deferred tax assets or liabilities at December 31, 2019.

Use of Estimates

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 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.

Cash & cash equivalents

The Company maintains cash balances at various financial institutions. The Company's accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 each. The Company's accounts at these institutions do not exceed the FDIC coverage limit.

For the purpose of the statement of cash flows, the Company considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

3. Net Capital Requirements

Net Capital

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 net indebtedness to net capital shall not exceed 15 to 1. At December 31, 2019, the Company had net capital of \$41,579 which was \$36,579 in excess of its required net capital of \$5,000. At its percentage of Aggregate Indebtedness to Net Capital 0.24 to 1.

4. Leases

The Company recognizes and measures any leases in accordance with FASB ASC 842 and has determined that there are no contracts that contain embedded leases.

Holly Street Securities, Inc.
Notes to Financial Statements
December 31, 2019

5. Commitments & Contingencies

The Company could become involved in legal claims arising in the ordinary course of its activities. In the opinion of management, the outcome of any legal proceedings would be covered by the Company's insurance policies, subject to normal deductibles, and accordingly, would not have a material effect on the Company's financial position or results of operations.

6. Company Conditions

The Company has a loss of \$37,832 for the year ending December 31, 2019 and has received capital contributions from its owner for working capital. The Company's owner has represented that it intends to continue making capital contributions, as needed, to ensure the Company's continuing operations. The owner has the financial wherewithal to continue contributing, as required.

Management expects the Company to continue as a going concern and the accompanying financial statements have been prepared on a going-concern basis without adjustments for realization in the event the Company ceases to continue as a going concern.

7. Subsequent Events

No events have occurred through the date the financial statements were available to be issued, that would require recording or disclosure in the financial statements for the year ended December 31, 2019.

SUPPLEMENTAL INFORMATION
PURSUANT TO RULE 17A-5 OF THE SECURITIES EXCHANGE ACT OF 1934
AS OF DECEMBER 31, 2019

Holly Street Securities, Inc.
Computation of Net Capital Under S.E.C. Rule 15c3-1
of the Securities and Exchange Commission
As of December 31, 2019

Computation of net capital	
Stockholders' equity	\$ <u>43,049</u>
Total stockholders' equity	43,049
Less non-allowable assets	<u>(1,470)</u>
Net capital	<u>41,579</u>
 Computation of net capital requirement	
Aggregate indebtedness	9,998
Minimum net capital requirements (6 2/3% of net aggregate indebtedness)	667
Minimum dollar net capital required	<u>5,000</u>
Net capital required (greater of above)	<u>(5,000)</u>
Excess net capital	\$ <u>36,579</u>
Ratio of aggregate indebtedness to net capital	<u>.24 to 1</u>

There was no material difference between net capital computation shown here and the net capital computation shown on the Company's unaudited Form X-17A-5 report dated December 31, 2019.

See independent auditors' report.

Holly Street Securities, Inc.

**Schedule II - Computation for Determining of Reserve
Requirements Pursuant to Rule 15c3-3**

As of December 31, 2019

A computation of reserve requirements is not applicable to Holly Street Securities Inc. as the Company qualifies for exemption under Rule 15c3-3(k)(2)(i).

See independent auditors' report.

Holly Street Securities, Inc.

**Schedule III - Information Relating to Possession or Control
Requirements Pursuant to Rule 15c3-3**

As of December 31, 2019

Information relating to possession or control requirements is not applicable to Holly Street Securities Inc. as the Company qualifies for exemption under Rule 15c3-3(k)(2)(i).

See independent auditors' report.



Ohab and Company, P.A.

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Fax 407-740-6441

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders
of Holly Street Securities, Inc.

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

Our 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 Holly Street Securities, Inc.'s compliance with the exemption provisions. 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, we do not express such an opinion.

Based on our review, we are 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)(1) of Rule 15c3-3 under the Securities Exchange Act of 1934.

Ohab and Company, P.A.

Maitland, Florida

March 26, 2020

HOLLYSTREETSECURITIES

17014 New College Avenue; #200C

Wildwood, MO 63040

Assertions Regarding Exemption Provisions

We, as management of Holly Street Securities Inc. ("the Company"), are responsible for compliance with the annual reporting requirements under Rule 17a-5 of the Securities Exchange Act of 1934. Those requirements compel a broker or dealer to file annual reports with the Securities Exchange Commission (SEC) and the broker or dealer's designated examining authority (DEA). One of the reports to be included in the annual filing is an exemption report prepared by an independent public accountant based upon a review of assertions provided by the broker or dealer. Pursuant to that requirement, the management of the Company hereby makes the following assertions:

The Company claims exemption from the custody and reserve provisions of Rule 15c3-3 by operating under the exemption provided by Rule 15c3-3, Paragraph (k)(1).

The Company met the identified exemption provision without exception throughout the period ending December 31, 2019.

Holly Street Securities Inc.

By:



Alan Clayton Jr.

3/26/2020