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

SEC FILE NUMBER
8-65804

**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 01/01/2020 AND ENDING 12/31/2020
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

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

OFFICIAL USE ONLY
FIRM I.D. NO.

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

1801 Dove Street

(No. and Street)

Newport Beach

(City)

CA

(State)

92660

(Zip Code)

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

Moez Ansari

800-388-9700

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Alvarez & Associates, Inc.

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

9221 Corbin Avenue, Suite 165 Northridge

(Address)

(City)

SEC Mail Processing 91324

(State)

(Zip Code)

MAR 01 2021

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)

OATH OR AFFIRMATION

I, Moez Ansari, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Compak Securities, Inc., as of December 31, 2020, 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:

None

[Signature]

Signature

President
Title

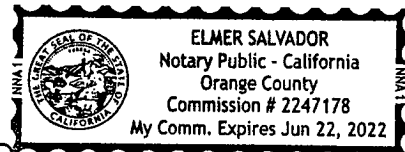
[Signature]

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 Cash Flows.
- (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietor's Capital.
- (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- (g) Computation of Net Capital.
- (h) Computation of 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).



State of California
County of Orange

Subscribed and sworn to (or affirmed) before me on this 25th day of February, 2021 by

Moez Ansari proved to me on the basis of satisfactory evidences to be the person who appeared before me.

Notary Public Elmer Salvador *[Signature]*

**Compak Securities, Inc. Report
Pursuant to Rule 17a-5 (d)
Financial Statements
For the Year Ended December 31, 2020**

COMPAK SECURITIES, INC.

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ALVAREZ & ASSOCIATES, INC CERTIFIED PUBLIC ACCOUNTANTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To Those Charged with Governance and the Stockholders of Compak Securities, Inc.:

Opinion on the Financial Statements

We have audited the accompanying statement of financial condition of Compak Securities, Inc. (the "Company") as of December 31, 2020, the related statements of operations, changes in stockholders' equity, and cash flows for the year then ended, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2020, 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.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company'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 the Company 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.

Supplemental Information

The information contained in Schedules I, II and III ("Supplemental Information") has been subjected to audit procedures performed in conjunction with the audit of the Company's financial statements. The Supplemental Information is the responsibility of the Company'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, Schedules I, II and III are fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Alvarez & Associates, Inc.

We have served as the Company's auditor since 2018.
Northridge, California
February 25, 2021

Chicago, Dallas, Los Angeles, New York, San Francisco, Seattle

9221 Corbin Avenue Suite 165
Northridge, California 91324

800.848.0008

www.AAICPAs.com



COMPAK SECURITIES, INC.

Statement of Financial Condition

December 31, 2020

ASSETS

Cash	\$	19,339
Commissions receivable		10,954
Prepaid and other assets		<u>6,587</u>
Total assets		<u>\$36,880</u>

LIABILITIES AND STOCKHOLDERS' EQUITY

Liabilities		
Accounts payable and accrued liabilities		<u>\$10,183</u>
Stockholders' equity		
Common stock, no par value, 1,000 shares authorized; 100 shares issued and outstanding		20,000
Additional paid-in capital		10,000
Retained earnings/(deficit)		<u>(3,303)</u>
		<u>26,697</u>
Total liabilities and stockholders' equity		<u>\$36,880</u>

See notes to financial statements.

COMPAK SECURITIES, INC.

Statement of Operations Year Ended December 31, 2020

Revenues	
Commissions	\$138,364
Total revenues	<u>138,364</u>
Expenses	
Commissions	69,507
Compensation	25,210
Outside services	45,437
Insurance	(1,523)
Rent	11,000
Licenses and registrations	<u>9,781</u>
Total expenses	<u>159,412</u>
Loss before income taxes	(21,048)
Income tax provision	<u>800</u>
Net loss	<u><u>\$(21,848)</u></u>

See notes to financial statements.

COMPAK SECURITIES, INC.

Statement of Changes in Stockholders' Equity

Year Ended December 31, 2020

	<i>Additional</i>				<u>Total</u>
	<u>Common Stock</u> <u>Shares</u>	<u>Amount</u>	<u>Paid-in</u> <u>Capital</u>	<u>Retained</u> <u>(Deficit)</u>	
Balance, beginning of year	100	\$20,000	\$ -	\$ 18,545	\$ 38,545
Stockholders' contribution			10,000		10,000
Net loss	-	-	-	(21,848)	(21,848)
 Balance, end of year	<u>100</u>	<u>\$20,000</u>	<u>\$10,000</u>	<u>\$(3,303)</u>	<u>\$ 26,697</u>

See notes to financial statements.

COMPAK SECURITIES, INC.

Statement of Cash Flows

Year Ended December 31, 2020

Cash flows from operating activities	
Net loss	\$ (21,848)
Adjustments to reconcile net loss to net cash used in operating activities:	
(Increase) decrease in:	
Commissions receivable	(2,061)
Prepaid expenses	1,048
Related party receivable	6,413
(Decrease) increase in:	
Accounts payable and accrued liabilities	4,083
Total adjustments	<u>9,483</u>
Net cash used in operating activities	(12,365)
Cash flows from investing activities	-
Cash flows from financing activities	
Stockholders' contributions	<u>10,000</u>
Net decrease in cash	(2,365)
Cash	
Beginning of year	<u>21,704</u>
End of year	<u>\$ 19,339</u>
Supplemental disclosure of cash flow information:	
Interest paid	<u>\$ -</u>
Taxes paid	<u>\$ -</u>

See notes to financial statements.

COMPAK SECURITIES, INC.

Notes to Financial Statements

December 31, 2020

1. THE COMPANY AND ITS SIGNIFICANT ACCOUNTING POLICIES

The Company. Compak Securities, Inc. (the "Company"), a California corporation, is a registered broker-dealer licensed by the United States Securities and Exchange Commission ("SEC") and is a member of the Financial Industry Regulatory Authority and Securities Investor Protection Corporation ("SIPC").

Accounting Estimates. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates 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 revenues and expenses during the reporting period. Actual results may differ from those estimates.

Revenue Recognition. The Company provides several classes of securities broker-dealer services, principally the sale of variable life insurance or annuities. The Company earns commissions from the sale of these policies, generally an initial up-front (first year) commission as well as ongoing commissions upon policy renewal, on an annual or other basis. The Company recognizes the first-year commission upon the sale transaction date, because its performance obligation is the sale itself. Commissions on policy renewals are considered variable consideration, due to the uncertainties of realization. The Company recognizes renewal commissions in the period received, which corresponds to the Company's performance of its ongoing marketing performance obligations, as well as the satisfaction of the variable consideration uncertainties. This treatment is not GAAP, however the difference between GAAP and when received is immaterial. These uncertainties include the customer's renewal decision and the various factors impacting the commission amount.

Income Taxes. The Company has elected S corporation status under the state and federal tax laws. Accordingly, income or losses pass through to the Company's stockholders, and no provision for federal income taxes has been reflected in the accompanying financial statements. State income taxes have been provided at the reduced rate applicable to S corporations.

2. RELATED PARTY TRANSACTIONS

During the year ended December 31, 2020, the Company paid approximately \$25,000 to Compak Asset Management for the leasing of employees and facilities.

It is possible that the terms of certain of the related party transactions are not the same as those that would result for transactions among wholly unrelated parties.

COMPAK SECURITIES, INC.

Notes to Financial Statements

December 31, 2020

2. RELATED PARTY TRANSACTIONS (CONTINUED)

The Company shares its office space with an affiliate under the terms of an annual expense sharing agreement. This agreement is not subject to ASC 842 under the short-term exemption. As a result, the adoption of ASC 842 had no effect on the Company's financial statements for the year ended December 31, 2020.

3. NET CAPITAL REQUIREMENTS

Under Rule 15c3-1 of the Securities Exchange Act of 1934, the Company is required to maintain a minimum net capital (as defined) and a ratio of aggregate indebtedness to net capital (as defined) not exceeding 15 to 1.

The Company's ratio at December 31, 2020 was 0.64 to 1. The basic concept of the Rule is liquidity, its object being to require a broker-dealer in securities to have at all times sufficient liquid assets to cover its current indebtedness. At December 31, 2020, the Company had net capital of \$15,806 which was \$10,806 in excess of the amount required by the SEC.

4. INCOME TAXES

As discussed in the Summary of Significant Accounting Policies (Note 1), the Company has elected the Subchapter S Corporation tax status; therefore, no provision or liability for federal income taxes is included in these financial statements. The State of California recognizes Subchapter S Corporations for state tax purposes. However, the state imposes a 1.5% tax on the net income and a minimum Franchise Tax of \$800, whichever is greater. The Company used income tax carry forwards, that were reflected in the financial statements to apply the franchise tax of \$800 for the year ended December 31, 2020.

5. SUBSEQUENT EVENTS

The Company has evaluated subsequent events and transactions from the statement of financial condition date through the date the financial statements were available to be issued, and determined there were no events or transactions which require recording or disclosure in the financial statements.

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 accepting 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 ("ASU's"). For the year ending December 31, 2020, various ASU's issued by the FASB were either newly issued or had effective implementation dates that would require their provisions to be reflected in the financial statements for the year then ended. The Company has either evaluated or is currently evaluating the implications, if any, of each of these pronouncements and the possible impact they may have on the Company's financial statements. In most cases, management has determined that the pronouncement has either limited or no application to the Company and, in all cases, implementation would not have a material impact on the financial statements taken as a whole.

COMPAK SECURITIES, INC.

Notes to Financial Statements

7. COVID-19

The worldwide outbreak of coronavirus (COVID-19) may lead to an adverse impact on the financial markets and the overall economy. In the event such an impact was to occur and last for a sustained period of time, the operations and financial performance of the Company may be adversely affected. At this point, however, the severity of such an event is highly uncertain and cannot be predicted.

COMPAK SECURITIES, INC.

Schedule I Computation of Net Capital Requirements Pursuant to SEC Rule 15c3-1

December 31, 2020

Computation of net capital

Common stock	\$	30,000	
Retained earnings		<u>(3,303)</u>	
Total stockholders' equity	\$		26,697
 Less: Non-allowable assets			
Prepaid expense		(6,587)	
Receivables, non allowable		<u>(4,304)</u>	
Total non-allowable assets			<u>(10,891)</u>
Net Capital			15,806
 Computation of net capital requirements			
Minimum net capital requirement			
6 2/3 percent of net aggregate indebtedness	\$	679	
Minimum dollar net capital required	\$	<u>5,000</u>	
Net capital required (greater of above)			<u>(5,000)</u>
Excess net capital			<u>\$ 10,806</u>
Aggregate indebtedness	\$		<u>10,183</u>
Ratio of aggregate indebtedness to net capital			0.64:1

There was no material difference between net capital computation shown here and the net capital computation shown on the Company's most recently filed unaudited Form X-17A-5 Part IIA report dated December 31, 2020.

See Report of Independent Registered Public Accounting Firm

COMPAK SECURITIES, INC.

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

December 31, 2020

The Computation for Determination of the Reserve Requirements is not applicable to the Company, as the Company is not subject to the provisions of Rule 15c3-3 as the Company does not, and will not, hold customer funds or securities, and that its business activities are dealings in several classes of securities broker dealer services principally the sale of variable life insurance or annuities. Accordingly, there are no items to report under the requirements of this Rule.

See Report of Independent Registered Public Accounting Firm

COMPAK SECURITIES, INC.

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

December 31, 2020

Information Relating to Possession or Control Requirements for Brokers and Dealers is not applicable to the Company, as the Company is not subject to the provisions of Rule 15c3-3 as the Company does not, and will not, hold customer funds or securities, and that its business activities are dealings in several classes of securities broker dealer services principally the sale of variable life insurance or annuities. Accordingly, there are no items to report under the requirements of this Rule.

See Report of Independent Registered Public Accounting Firm

Compak Securities, Inc.
Report on Exemption Provisions
Pursuant to Provisions of 17 C.F.R. § 15c3-3(k)
For the Year Ended December 31, 2020



ALVAREZ & ASSOCIATES, INC
CERTIFIED PUBLIC ACCOUNTANTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To Those Charged with Governance and Stockholders of Compak Securities, Inc.:

We have reviewed management's statements, included in the accompanying Assertions Regarding Exemption Provisions, in which Compak Securities, Inc., claimed: it is exempt from SEA Rule 15c3-3 as a non-covered firm because its business activities include dealings in several classes of securities broker dealer services principally the sale of variable life insurance or annuities. As a result, the Company (1) did not directly or indirectly receive, hold, or otherwise owe funds or securities for or to customers, other than money or other consideration received and promptly transmitted in compliance with paragraph (a) or (b)(2) of Rule 15c2-4; (2) did not carry accounts of or for customers; and (3) did not carry PAB accounts (as defined in Rule 15c3-3). Compak Securities, Inc., did not identify any exceptions with their exempt status throughout the year ended December 31, 2020. Compak Securities, Inc.'s management is responsible for compliance 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 Compak Securities, Inc.'s compliance. 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 business activities of Compak Securities, Inc.

Alvarez & Associates, Inc.

Alvarez & Associates, Inc.

Northridge, California
February 25, 2021





COMPAK SECURITIES, INC.

MEMBER FINRA & SIPC

Assertions Regarding Exemption Provisions

We, as members of management of Compak 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 is exempt from SEA Rule 15c3-3 as a non-covered firm because its business activities include dealings in several classes of securities broker dealer services principally the sale of variable life insurance or annuities. As a result, the Company (1) did not directly or indirectly receive, hold, or otherwise owe funds or securities for or to customers, other than money or other consideration received and promptly transmitted in compliance with paragraph (a) or (b)(2) of Rule 15c2-4; (2) did not carry accounts of or for customers; and (3) did not carry PAB accounts (as defined in Rule 15c3-3).

Due to the Company’s business activities, the Company is not subject to the custody and reserve provisions of Rule 15c3-3.

The Company did not identify any exceptions to the above throughout the year ending December 31, 2020.

Compak Securities, Inc.

By:

Moez Ansari, President