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

SEC FILE NUMBER  
8-70170

**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 01/01/20 AND ENDING 12/31/20  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: **DSP SECURITIES, LLC**

OFFICIAL USE ONLY  
FIRM I.D. NO.

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

**300 BARR HARBOR DRIVE, SUITE 420**

(No. and Street)

**WEST CONSHOHOCKEN**

**PA**

**10428**

(City)

(State)

(Zip Code)

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

Elizabeth Attanasio

(212) 668-8700

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*

**NAWROCKI SMITH, LLP**

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

**290 Broad Hollow Road, Suite 115E Melville**

**NY**

**11747**

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

Certified Public Accountant

Public Accountant

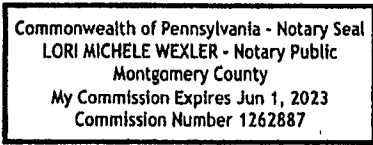
Accountant not resident in United States or any of its possessions.

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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)

OATH OR AFFIRMATION

I, ANDREW SCHMUCKER, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of DSP SECURITIES, LLC, 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:



Signature  
MANAGING PARTNER  
Title

Lori M. Wexler  
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).

# **DSP SECURITIES, LLC**

**AUDITED FINANCIAL STATEMENT**

**WITH**

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

**AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2020**

This report is pursuant to Rule 17a-5(e)(3) under the Securities Exchange Act of 1934 as a Public Document.

**DSP SECURITIES, LLC**  
**AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2020**

**Table of Contents**

	<b><u>Page</u></b>
Report of Independent Registered Public Accounting Firm	1
<b>Financial Statement:</b>	
Statement of Financial Condition	2
Notes to Financial Statement	3-5



**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Member of  
DSP Securities, LLC:

**Opinion on the Financial Statement**

We have audited the accompanying statement of financial condition of DSP Securities, LLC (the "Company") as of December 31, 2020, and the related notes (collectively referred to as the "financial statement"). In our opinion, the financial statement presents fairly, in all material respects, the financial position of DSP Securities, LLC as of December 31, 2020 in conformity with accounting principles generally accepted in the United States of America.

**Basis for Opinion**

This financial statement is the responsibility of DSP Securities, LLC's management. Our responsibility is to express an opinion on DSP Securities, 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 DSP Securities, 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 the 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.

We have served as DSP Securities, LLC's auditor since 2019.

Melville, New York  
February 19, 2021

*Nawrocki Smith LLP*

**DSP SECURITIES, LLC**  
**STATEMENT OF FINANCIAL CONDITION**  
**AS OF DECEMBER 31, 2020**

<b>ASSETS</b>	
Cash	\$ 484,820
Accounts receivable	150,000
Other assets	<u>4,888</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 639,708</u></b>
<b>LIABILITIES AND MEMBER'S EQUITY</b>	
<b>LIABILITIES</b>	
Due to member	\$ 14,182
Accounts payable and accrued expenses	<u>31,875</u>
<b>TOTAL LIABILITIES</b>	46,057
<b>MEMBER'S EQUITY</b>	<u>593,651</u>
<b>TOTAL LIABILITIES AND MEMBER'S EQUITY</b>	<b><u>\$ 639,708</u></b>

The Notes to Financial Statement are an integral part of this statement.

**DSP SECURITIES, LLC**  
**NOTES TO FINANCIAL STATEMENT**  
**AS OF DECEMBER 31, 2020**

**NOTE 1 – ORGANIZATION AND DESCRIPTION OF BUSINESS**

DSP Securities, LLC (the "Company") was formed as a limited liability company in Pennsylvania on June 15, 2018. The Company is registered as a Broker Dealer under the Securities Exchange Act of 1934 and is a member of both the Financial Industry Regulatory Authority, Inc. ("FINRA") and the Securities Investors Protection Corporation ("SIPC") as of April 26, 2019. The firm is limited to raising capital for private placements of securities and mergers and acquisitions advisory services. The firm does not, and will not hold customer funds or securities.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation**

The accompanying financial statement have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP").

**Accounts Receivable**

The Company carries its accounts receivable at cost less an allowance for doubtful accounts. On a periodic basis, the Company evaluates its accounts receivable and establishes an allowance for doubtful accounts based on history of past write-offs and collections and current credit conditions. The accounts receivable as of December 31, 2020 were \$150,000. There was no allowance for doubtful accounts as of December 31, 2020.

**Revenue and Expense Recognition**

***Significant Judgment***

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; and whether constraints on variable consideration should be applied due to uncertain future events.

***Investment banking fees***

The Company engages in two types of investment banking transactions; mergers and acquisitions advisory services and private placements for business entities. The Company can earn investment banking fees upon the success of a merger and acquisition or private placement. These fees are recognized and payable on the closing date (the date on which the buyer purchases the securities from the seller) for the portion the Company is contracted to earn in accordance with its agreements. The Company believes that the closing date is the appropriate point in time to recognize success fees for mergers and acquisitions transactions as well as private placements, as there are no significant actions which the Company needs to take subsequent to this date.

***Disaggregation of Revenue***

All of the Company's 2020 revenues originated from advisory fees.

**DSP SECURITIES, LLC**  
**NOTES TO FINANCIAL STATEMENT**  
**AS OF DECEMBER 31, 2020**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Revenue and Expense Recognition (Continued)**

Contract assets arise when the revenue associated with the contract is recognized prior to the Company's unconditional right to receive payment under a contract with a customer (i.e., unbilled receivable) and are derecognized when either it becomes a receivable or the cash is received. Contract assets are reported in the Statement of Financial Condition. As of December 31, 2020, contract asset balance was \$0

Contract liabilities arise when customers remit contractual cash payments in advance of the Company satisfying its performance obligations under the contract and are derecognized when the revenue associated with the contract is recognized when the performance obligation is satisfied. As of December 31, 2020, there were no contract liabilities.

There were no adjustments deemed necessary to opening Member's Equity related to the rule change.

**Income Taxes**

The Company is a single member limited liability company that is deemed to be a disregarded entity for income tax purposes. The taxable income or loss of the Company is allocated to its member. For the year ended December 31, 2020, the Company had no allocated portion of taxes owed.

The Company accounts for uncertainties in income taxes under the provisions of FASB ASC 740-10-05, "Accounting for Uncertainty in Income Taxes." The ASC clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements. The ASC prescribes a recognition threshold and measurement approach for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. The ASC provides guidance on de-recognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. As of December 31, 2020, the Company had no material unrecognized tax and no uncertain tax positions.

The Company's conclusions regarding uncertain tax positions may be subject to review and adjustment at a later date based upon ongoing analyses of tax laws, regulations and interpretations thereof as well as other factors. Generally, federal and state authorities may examine the Company's income tax returns for three years from the date of filing.

**Use of Estimates**

The preparation of financial statement and related disclosures in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the disclosure of contingent assets and liabilities at the date of the financial statement, and the reported amounts of income and expenses during the reporting period. Accordingly, actual results could differ from those estimates and such differences could be material.

**NOTE 3 – CONCENTRATIONS OF CREDIT RISK**

**Cash**

The Company maintains principally all cash balances in one financial institution which, at times, may exceed the amount insured by the Federal Deposit Insurance Corporation. The exposure to the Company is solely dependent upon daily bank balances and the strength of the financial institution. The Company has not incurred any losses on this account.

**DSP SECURITIES, LLC**  
**NOTES TO FINANCIAL STATEMENT**  
**AS OF DECEMBER 31, 2020**

**NOTE 3 – CONCENTRATIONS OF CREDIT RISK (CONTINUED)**

**Revenue**

During the year ended December 31, 2020, approximately 84% of the Company's investment banking fees were from two customers.

**NOTE 4 – LEASE ACCOUNTING**

In February 2016, the FASB issued ASU No. 2016-02, Leases ("ASU 2016-02"). This update requires all leases with a term greater than 12 months to be recognized on the Statement of Financial Condition through a right of use asset and a lease liability and the disclosure of key information pertaining to leasing arrangements. This new guidance is effective for years beginning after December 15, 2018, The Company has noted that ASU 2016-02 will not have an impact on its financial statement due to the nature of the lease.

**NOTE 5 – NET CAPITAL REQUIREMENTS**

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 indebtedness to net capital, both as defined, shall not exceed 12.5 to 1, in the first year of membership and 15 to 1, thereafter. 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. Net capital and aggregate indebtedness change day to day, but on December 31, 2020, the Company had net capital of \$438,763 which was \$433,763 in excess of its required net capital of \$5,000; and the Company's percentage of aggregate indebtedness to net capital was 10%.

**NOTE 6 – RELATED PARTY**

The Company is a wholly owned subsidiary of Delancey Holdings, LLC (the "Parent Company"). The Company has an expense sharing agreement in place with another subsidiary of the Parent Company, Delancey Street Partners, LLC whereby an allocation of fees is made for compensation and benefits, professional fees occupancy, data and communication expense, and other operating expenses which are included in the Statement of Operations, respectively. These fees amounted to \$307,857 for the year ending December 31, 2020. Due to Parent is \$14,182 at December 31, 2020 and consists of the shared expenses for the month then ended.

**NOTE 8 – SUBSEQUENT EVENTS**

The Company has evaluated events subsequent to the statement of financial condition date for items requiring recording or disclosure in the financial statement. The evaluation was performed through the date the financial statement were available to be issued, noting no material events requiring disclosure in the Company's financial statement, other than those noted below.

The Company had a members distribution in the amount of \$200,000 on February 5, 2021. The Company has remained in regulatory compliance throughout the subsequent events period.