

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

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PART III

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FACING PAGE

Information Required Pursuant to Rules 17a-5, 17a-12, and 18a-7 under the Securities Exchange Act of 1934

FILING FOR THE PERIOD BEGINNING 01/01/21 AND ENDING 12/31/21  
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF FIRM: SAMI Brokerage LLC

TYPE OF REGISTRANT (check all applicable boxes):

- Broker-dealer     Security-based swap dealer     Major security-based swap participant  
 Check here if respondent is also an OTC derivatives dealer

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use a P.O. box no.)

Two High Ridge Park

(No. and Street)

Stamford

CT

06905

(City)

(State)

(Zip Code)

PERSON TO CONTACT WITH REGARD TO THIS FILING

Jean Orlando

203-321-1136

jorlando@samipfd.com

(Name)

(Area Code – Telephone Number)

(Email Address)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose reports are contained in this filing\*

Ernst & Young LLP

(Name – if individual, state last, first, and middle name)

801 Grand Ave

Des Moines

IA

50309

(Address)

(City)

(State)

(Zip Code)

(Date of Registration with PCAOB)(if applicable)

(PCAOB Registration Number, if applicable)

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\* Claims for exemption from the requirement that the annual reports be covered by the reports of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis of the exemption. See 17 CFR 240.17a-5(e)(1)(ii), if applicable.

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, Jean M. Orlando, swear (or affirm) that, to the best of my knowledge and belief, the financial report pertaining to the firm of SAMI Brokerage LLC, as of December 31, 2021, is true and correct. I further swear (or affirm) that neither the company nor any partner, officer, director, or equivalent person, as the case may be, has any proprietary interest in any account classified solely as that of a customer.

Nancy K. Dray  
Notary Public

Signature: J. Orlando  
Title: CFO - FinOP

NANCY K. DRAY  
Notary Public  
My Commission Expires November 30, 2023

This filing\*\* contains (check all applicable boxes):

- (a) Statement of financial condition.
- (b) Notes to consolidated 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 cash flows.
- (e) Statement of changes in stockholders' or partners' or sole proprietor's equity.
- (f) Statement of changes in liabilities subordinated to claims of creditors.
- (g) Notes to consolidated financial statements.
- (h) Computation of net capital under 17 CFR 240.15c3-1 or 17 CFR 240.18a-1, as applicable.
- (i) Computation of tangible net worth under 17 CFR 240.18a-2.
- (j) Computation for determination of customer reserve requirements pursuant to Exhibit A to 17 CFR 240.15c3-3.
- (k) Computation for determination of security-based swap reserve requirements pursuant to Exhibit B to 17 CFR 240.15c3-3 or Exhibit A to 17 CFR 240.18a-4, as applicable.
- (l) Computation for Determination of PAB Requirements under Exhibit A to § 240.15c3-3.
- (m) Information relating to possession or control requirements for customers under 17 CFR 240.15c3-3.
- (n) Information relating to possession or control requirements for security-based swap customers under 17 CFR 240.15c3-3(p)(2) or 17 CFR 240.18a-4, as applicable.
- (o) Reconciliations, including appropriate explanations, of the FOCUS Report with computation of net capital or tangible net worth under 17 CFR 240.15c3-1, 17 CFR 240.18a-1, or 17 CFR 240.18a-2, as applicable, and the reserve requirements under 17 CFR 240.15c3-3 or 17 CFR 240.18a-4, as applicable, if material differences exist, or a statement that no material differences exist.
- (p) Summary of financial data for subsidiaries not consolidated in the statement of financial condition.
- (q) Oath or affirmation in accordance with 17 CFR 240.17a-5, 17 CFR 240.17a-12, or 17 CFR 240.18a-7, as applicable.
- (r) Compliance report in accordance with 17 CFR 240.17a-5 or 17 CFR 240.18a-7, as applicable.
- (s) Exemption report in accordance with 17 CFR 240.17a-5 or 17 CFR 240.18a-7, as applicable.
- (t) Independent public accountant's report based on an examination of the statement of financial condition.
- (u) Independent public accountant's report based on an examination of the financial report or financial statements under 17 CFR 240.17a-5, 17 CFR 240.18a-7, or 17 CFR 240.17a-12, as applicable.
- (v) Independent public accountant's report based on an examination of certain statements in the compliance report under 17 CFR 240.17a-5 or 17 CFR 240.18a-7, as applicable.
- (w) Independent public accountant's report based on a review of the exemption report under 17 CFR 240.17a-5 or 17 CFR 240.18a-7, as applicable.
- (x) Supplemental reports on applying agreed-upon procedures, in accordance with 17 CFR 240.15c3-1e or 17 CFR 240.17a-12, as applicable.
- (y) Report describing any material inadequacies found to exist or found to have existed since the date of the previous audit, or a statement that no material inadequacies exist, under 17 CFR 240.17a-12(k).
- (z) Other: \_\_\_\_\_

\*\*To request confidential treatment of certain portions of this filing, see 17 CFR 240.17a-5(e)(3) or 17 CFR 240.18a-7(d)(2), as applicable.



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## Report of Independent Registered Public Accounting Firm

To the Board of Directors of SAMI Brokerage LLC

### Opinion on the Financial Statements

We have audited the accompanying statement of financial condition of SAMI Brokerage LLC (the Company) as of December 31, 2021, the related statements of operations, changes in member's 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 at December 31, 2021, and the results of its operations and its cash flows for the year then ended in conformity with U.S. generally accepted accounting principles.

### 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 accompanying information contained in Schedules I, II, and III has been subjected to audit procedures performed in conjunction with the audit of the Company's financial statements. Such information is the responsibility of the Company's management. Our audit procedures included determining whether the 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. In forming our opinion on the information, we evaluated whether such information, including its form and content, is presented in conformity with Rule 17a-5 under the Securities Exchange Act of 1934. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

We have served as the Company's auditor since 2001.

Des Moines, Iowa  
February 25, 2022

SAMI Brokerage LLC  
Financial Statements and  
Supplemental Information

Year Ended December 31, 2021

**Contents**

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SAMI Brokerage LLC

Statement of Financial Condition  
December 31, 2021

**Assets**

Cash and cash equivalents	497,246
Income tax receivable	25,574
Receivable from Spectrum Asset Management, Inc.	<u>2,266</u>
Total assets	<u><u>525,086</u></u>

**Liabilities and member's equity**

Accounts payable	<u>58,456</u>
Total liabilities	58,456
Member's equity	<u>466,630</u>
Total liabilities and member's equity	<u><u>525,086</u></u>

*See accompanying notes.*

SAMI Brokerage LLC  
Statement of Operations  
Year Ended December 31, 2021

<b>Revenues</b>	
Commissions	<u>\$ 169,109</u>
Total revenues	<u>169,109</u>
<b>Expenses</b>	
Clearing and execution fees	154,568
Regulatory fees	67,410
Other operating expenses	<u>106,607</u>
Total	<u>328,586</u>
Expense allocation from parent	<u>300,000</u>
Total expenses	<u>628,586</u>
Loss before income taxes	(459,477)
Income tax benefit	<u>(105,539)</u>
Net loss	<u><u>\$ (353,937)</u></u>

*See accompanying notes.*

SAMI Brokerage LLC

Statement of Changes in Member's Equity  
Year Ended December 31, 2021

	<b>Total Member's Equity</b>
	<u>                    </u>
Balance at January 1, 2021	\$ 430,875
Contributions	389,692
Net loss	(353,937)
Balance at December 31, 2021	<u><b>\$ 466,630</b></u>

*See accompanying notes.*

# SAMI Brokerage LLC

## Statement of Cash Flows Year Ended December 31, 2021

### **Operating activities**

Net loss	\$ (353,937)
Adjustments to reconcile net loss to net cash used in operating activities:	
Changes in operating assets and liabilities:	
Income tax receivable	7,034
Receivable from Spectrum Asset Management, Inc.	(2,266)
Accounts payable	<u>19,517</u>
Net cash used in operating activities	<u>(329,652)</u>

### **Financing activities**

Member contributions	<u>389,692</u>
Net cash provided by financing activities	<u>389,692</u>
Net increase (decrease) in cash and cash equivalents	60,040
Cash and cash equivalents at beginning of year	<u>437,206</u>
Cash and cash equivalents at end of year	<u>\$ 497,246</u>

*See accompanying notes.*

# SAMI Brokerage LLC

## Notes to Financial Statements

December 31, 2021

### **1. Organization**

#### **Organization and Nature of Business**

SAMI Brokerage LLC (the “Company”) was formed on January 2, 2019 as a Delaware limited liability company. Prior to that, the Company’s operations were part of Spectrum Asset Management, Inc. (“Spectrum”). The Company is a broker-dealer registered with the Financial Industry Regulatory Authority (FINRA), providing security investment brokerage for institutional clients. The Company clears its securities transactions on a fully disclosed basis through National Financial Services LLC (“NFS”).

The Company is a wholly owned subsidiary of Spectrum which is a wholly owned subsidiary of Principal Global Investors Holding Company (US), LLC (Principal Global). Principal Global is a wholly owned subsidiary of Principal Financial Services, Inc. (PFSI). PFSI is a wholly owned subsidiary of Principal Financial Group (PFG).

### **2. Summary of Significant Accounting Policies**

#### **Cash and Cash Equivalents**

The Company considers all highly liquid investments with maturities of three months or less when purchased to be cash equivalents. The Company is required to hold cash on deposit with NFS. The amount held on deposit with NFS is \$300,000 as of December 31, 2021.

#### **Use of Estimates**

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. It is possible that actual results could differ from the estimates and assumptions utilized.

# SAMI Brokerage LLC

## Notes to Financial Statements (continued)

### **2. Summary of Significant Accounting Policies (continued)**

#### **Revenue Recognition**

##### *Allowance for Credit Loss*

The authoritative guidance requires entities to use a current expected credit loss model to measure impairment for most financial assets that are not recorded at fair value through net income. Under the model, the Company will estimate lifetime expected credit losses considering available relevant information about historical events, current conditions and reasonable and supportable forecasts. The Company's evaluation included but was not limited to evaluating receivable balances within scope of the guidance carried at book value for credit losses using judgment in determining the relevant information and estimation methods that are appropriate in its circumstances. Based on the Company's evaluation of both historical experience and evaluating future scenarios, the Company determined the likelihood of credit related losses are extremely remote. As such, based on this scenario and the immaterial nature of receivables, the Company did not record an allowance and will regularly monitor current financial assets and assess new financial assets that are carried at book value.

#### **Income Taxes**

The Company is taxed as a division of PFG at corporate rates based on existing tax laws. Current income taxes are charged or credited to operations based upon amounts estimated to be payable or recoverable as a result of taxable operations for the current year. Deferred income taxes are provided for the tax effect of temporary differences in the financial reporting and income tax basis of assets and liabilities and net operating losses using enacted income tax rates and laws. The effect on deferred income tax assets and deferred income tax liabilities of a change in tax rates is recognized in operations in the period in which the change is enacted.

#### **Broker Commissions and Fees**

The Company earns commission revenue through brokerage services it executes on behalf of its customers. The performance obligation for these revenues is satisfied at the time the trade is executed. The clearing and execution operations are performed by NFS. The Company is charged clearing fees for all trades cleared through NFS. The Company also incurs execution costs for certain trades executed over an exchange. As of December 31, 2021, the total amount payable to NFS (net of commission revenue and clearing/execution costs) is \$5,790 and is included in Accounts Payable on the Statement of Financial Condition.

## SAMI Brokerage LLC

### Notes to Financial Statements (continued)

#### 3. Income Taxes

##### Income Tax Expense

The Company's taxable income or loss is generally included in the consolidated income tax return filed by PFG, the Company's ultimate parent.

PFG has adopted the policy of allocating income tax expense and benefits to members of its consolidated group based upon their pro rata contribution of taxable income or loss. The Company paid no taxes during 2021.

Income tax expense (benefit) was as follows as of December 31, 2021:

Current income taxes (benefits):	
U.S. federal	\$ (94,084)
State	(11,455)
Total current income taxes (benefits)	<u>\$ (105,539)</u>

##### Unrecognized Tax Benefits

The amount of unrecognized tax benefits calculated for the Company as of December 31, 2021 is not material to the Company's financial position. Therefore, the total amount of unrecognized tax benefits, that if recognized, would affect the effective income tax rate is immaterial. The Company recognizes interest expense and penalties related to income taxes in operating expenses. The Company recognized no accumulated pre-tax interest and penalties related to unrecognized tax benefits in 2021.

We do not believe there is a reasonable possibility that the total amount of unrecognized tax benefits will significantly increase or decrease in the next twelve months.

## SAMI Brokerage LLC

### Notes to Financial Statements (continued)

#### **4. Related-Party Transactions**

The Company has entered into an expense reimbursement agreement with Spectrum to reimburse Spectrum for certain office and administrative services that Spectrum pays on the Company's behalf. These costs are settled on an annual basis net of tax credits, or as agreed upon between the Company and Spectrum. As of December 31, 2021, total amounts billed to the Company for 2021 was \$300,000.

#### **5. Regulatory Requirements**

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (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 therein, shall not exceed 15 to 1. At December 31, 2021, the Company had defined net capital of \$438,790 which was \$433,790 in excess of its required minimum net capital of \$5,000. At December 31, 2021, the Company's ratio of aggregate indebtedness to net capital was .133 to 1. Various other regulatory agencies may impose additional capital requirements.

The Company is exempt from maintaining a special reserve bank account under Rule 15c3-3(k)(2)(ii).

#### **6. Subsequent Events**

The Company has evaluated subsequent events through the date that the financial statements were issued.

SAMI Brokerage LLC

Schedule I –Computation of Net Capital  
Under SEC Rule 15c3-1

December 31, 2021

1.Total ownership equity from statement of financial condition	\$ 466,630
2.Deduct ownership equity not allowable for net capital	<u>                    </u>
3.Total ownership equity qualified for net capital	<u>466,630</u>
4.Add:	
A. Liabilities subordinated to claims of general creditors allowable in computation of net capital	<u>                    </u>
B. Other (deductions) or allowable credits	<u>                    </u>
5.Total capital and allowable subordinated liabilities	<u>466,630</u>
6.Deductions and/or charges:	
A. Total nonallowable assets from statement of financial condition (Notes B and C)	<u>27,840</u>
B. Secured demand note deficiency	<u>                    </u>
C. Commodity futures contracts and spot commodities – proprietary capital charges	<u>                    </u>
D. Other deductions and/or charges	<u>                    </u>
7.Other additions and/or allowable credits	<u>                    </u>
8.Net capital before haircuts on securities positions	<u>438,790</u>
9.Haircuts on securities (computed, where applicable, pursuant to 15c3-1(f)):	
A. Contractual securities commitments	<u>                    </u>
B. Subordinated securities borrowings	<u>                    </u>
C. Trading and investment securities:	
1.Exempted securities	<u>                    </u>
2.Debt securities	<u>                    </u>
3.Options	<u>                    </u>
4.Other securities	<u>                    </u>
D. Undue concentration	<u>                    </u>
E. Other	<u>                    </u>
10. Net capital	<u>\$ 438,790</u>

SAMI Brokerage LLC

Schedule I –Computation of Net Capital  
Under SEC Rule 15c3-1 (continued)

**Computation Basic of Net Capital Requirement**

**Part A**

11. Minimum net capital required (6 2/3% of line 19)	\$ 3,897
12. Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries computed in accordance with Note (A)	5,000
13. Net capital requirement (greater of line 11 or 12)	5,000
14. Excess net capital (line 10 less 13)	433,790
15. Net capital less greater of 10% of line 19 or 120% of line 12	\$ 433,790

**Computation of Aggregate Indebtedness**

16. Total A.I. liabilities from statement of financial condition	\$ 58,456
17. Add:	
A. Drafts for immediate credit	
B. Market value of securities borrowed for which no equivalent value is paid or credited	
C. Other unrecorded amounts	
19. Total aggregate indebtedness	\$ 58,456
20. Percentage of aggregate indebtedness to net capital (line 19 ÷ by line 10)	13.32%
21. Percentage of debt to debt equity total computed in accordance with Rule 15c3-1(d)	0.00

**Notes**

(A) The minimum net capital requirement should be computed by adding the minimum dollar net capital requirement of the reporting broker-dealer and, for each subsidiary to be consolidated, the greater of:

1. Minimum dollar net capital requirement, or

SAMI Brokerage LLC

Schedule I –Computation of Net Capital  
Under SEC Rule 15c3-1(continued)

2. 6 2/3% of aggregate indebtedness or 4% of aggregate debits if alternative method is used.
- (B) Do not deduct the value of securities borrowed under subordination agreements or secured demand notes covered by subordination agreements not in satisfactory form and the market values of memberships in exchanges contributed for use of company (contra to Item 1740) and partners' securities that were included in non-allowable assets.
- (C) For reports filed pursuant to paragraph (d) of Rule 17a-5, respondent should provide a list of material non-allowable assets.

There are no differences between the computation of net capital under Rule 15c3-1, which is included in this audited report, and the computation of net capital in the company's corresponding, unaudited Focus Report (Form X-17A-5, Part IIA) filing submitted to FINRA as of December 31, 2021.

SAMI Brokerage LLC

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

December 31, 2021

**Computation for Determination of Reserve Requirements  
Pursuant to Rule 15c3-3:**

**Exemptive Provision**

22. If an exemption from Rule 15c3-3 is claimed, identify below the section upon which such exemption is based (check one only):

A. (k)(1) – Limited business (mutual funds and/or variable annuities only)

\_\_\_\_\_

B. (k)(2)(i) – “Special Account for the Exclusive Benefit of Customers” maintained

\_\_\_\_\_

C. (k)(2)(ii) – All customer transactions cleared through another broker-dealer on a fully-disclosed basis. Name of clearing firm: National Financial Services LLC.

\_\_\_\_\_ X \_\_\_\_\_

D. (k)(3) – Exempted by order of the Commission

\_\_\_\_\_

SAMI Brokerage LLC

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

December 31, 2021

The Company is exempt from SEC Rule 15c3-3 as it relates to the possession and control requirements under paragraph (k)(2)(ii) of that Rule.



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## Report of Independent Registered Public Accounting Firm

The Board of Directors and Management of SAMI Brokerage LLC.

We have reviewed management's statements, included in the accompanying SAMI Brokerage LLC's Exemption Report, in which (1) SAMI Brokerage LLC (the Company) identified the following provisions of 17 C.F.R. § 15c3-3(k) under which the Company claimed an exemption from 17 C.F.R. § 240.15c3-3 (k)(2)(ii) (the "exemption provisions") and (2) the Company stated that it met the identified exemption provisions in 17 C.F.R. § 240.15c3-3 (k) throughout the most recent fiscal year ended December 31, 2021, without exception. 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 the Company'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)(2)(ii) of Rule 15c3-3 under the Securities Exchange Act of 1934.

This report is intended solely for the information and use of the Board of Directors, management, the SEC, FINRA, and other regulatory agencies that rely on Rule 17a-5 under the Securities Exchange Act of 1934 in their regulation of registered brokers and dealers, and other recipients specified by Rule 17a-5(d)(6) and is not intended to be and should not be used by anyone other than these specified parties.

*Ernst & Young LLP*

Des Moines, IA  
February 25, 2022

SAMI Brokerage LLC Exemption Report

SAMI Brokerage LLC (the Company) is a registered broker-dealer subject to Rule 17a-5 promulgated by the Securities and Exchange Commission (17 C.F.R. 240.17a-5, "Reports to be made by certain brokers and dealers"). This Exemption Report was prepared as required by 17 C.F.R. 240.17a-5(d)(1) and (4). To the best of my knowledge and belief, the Company states the following:

- (1) The Company claimed an exemption from 17 C.F.R. 240.15c3-3 under the following provisions of 17 C.F.R. 240.15c3-3 (k)(2)(ii) – All customer transactions are cleared through another broker-dealer on a fully disclosed basis.
- (2) The Company met the identified exemption provisions in 17 C.F.R. 240 15c3-3 (k) throughout the period from January 1, 2021 to December 31, 2021.

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SAMI Brokerage LLC

I, Jean Orlando, affirm that, to my best knowledge and belief, this Exemption Report is true and correct.

  
Title: Chief Financial Officer SAMI Brokerage LLC

February 25, 2022