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**ANNUAL REPORTS
FORM X-17A-5
PART III**

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 01/01/22 AND ENDING 12/31/22
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0-68632

Washington, DC

A. REGISTRANT IDENTIFICATION

NAME OF FIRM: Chapwood Securities Inc.

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.)

4965 Preston Park Blvd. Suite 100

(No. and Street)

Plano

(City)

TX

(State)

75093

(Zip Code)

PERSON TO CONTACT WITH REGARD TO THIS FILING

Richard Amsberry

(Name)

214-360-9822

(Area Code – Telephone Number)

Rickamsberry@earthlink.net

(Email Address)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose reports are contained in this filing*

Sanville & Company

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

325 N. Saint Paul St., #3100 Dallas

(Address)

(City)

TX

(State)

75201

(Zip Code)

09/18/03

(Date of Registration with PCAOB)(if applicable)

169

(PCAOB Registration Number, if applicable)

FOR OFFICIAL USE ONLY

* 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.

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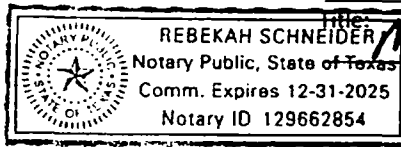
OATH OR AFFIRMATION

I, Ed Butowsky _____, swear (or affirm) that, to the best of my knowledge and belief, the financial report pertaining to the firm of _____ Chapwood Securities Inc. _____, as of December 31, _____, 2022, 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.

[Handwritten Signature]

Notary Public

Signature: *[Handwritten Signature]*



Title: *[Handwritten Signature]*

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.

ROBERT F. SANVILLE, CPA
MICHAEL T. BARANOWSKY, CPA
JOHN P. TOWNSEND, CPA
NATHANIEL S. HARTGRAVES, CPA

Sanville & Company
CERTIFIED PUBLIC ACCOUNTANTS

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Report of Independent Registered Public Accounting Firm

To the Board of Directors of
Chapwood Securities, Inc.

Opinion on the Financial Statements

We have audited the accompanying statement of financial condition of Chapwood Securities, Inc. (the Company) as of December 31, 2022, the related statements of operations, changes in shareholder's equity, and cash flows for the year then ended, and the related notes to the financial statements (collectively, 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, 2022, 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 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 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. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audit we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

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 supplementary information contained in The Schedule I, Computation of Net Capital Under SEC Rule 15c3-1, Schedule II, Computation for Determination of Reserve Requirements Under Rule SEC 15c3-3 and Schedule III, Information Relating to the Possession or Control Requirements Under SEC Rule 15c3-3 have 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, the supplementary information contained in the Schedule I, Computation of Net Capital Under SEC Rule 15c3-1, Schedule II, Computation for Determination of Reserve Requirements Under SEC Rule 15c3-3 and Schedule III, Information Relating to the Possession or Control Requirements Under SEC Rule 15c3-3 are fairly stated, in all material respects, in relation to the financial statements as a whole.

Sanville & Company

We have served as the Company's auditor since 2019.
Dallas, Texas
March 1, 2023

CHAPWOOD SECURITIES, INC.
Statement of Financial Condition
December 31, 2022

ASSETS

Cash	\$ 18,815
Goodwill	32,083
Other Assets	<u>1,049</u>
TOTAL ASSETS	<u>51,947</u>

LIABILITIES

Accounts payable and accrued expenses	<u>3,700</u>
TOTAL LIABILITIES	<u>3,700</u>

SHAREHOLDER'S EQUITY

Common Stock, 100,000 shares authorized, no par value 1,000 shares issued and outstanding, \$1 stated value	1,000
Additional paid in capital	134,364
Accumulated deficit	<u>(87,117)</u>
TOTAL SHAREHOLDER'S EQUITY	<u>48,247</u>
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	<u>\$ 51,947</u>

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

CHAPWOOD SECURITIES, INC.
Statement of Operations
For the Year Ended December 31, 2022

Operating Expenses	
Regulatory fees	2,943
Office expense	1,740
Communication expense	720
Occupancy expense	6,300
Amortization expense	5,000
Professional fees	<u>33,154</u>
Total Expenses	<u>49,857</u>
Net Loss	<u><u>\$ (49,857)</u></u>

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

CHAPWOOD SECURITIES, INC.
Statement of Changes in Shareholder's Equity
For the Year Ended December 31, 2022

	<u>Common Stock</u>	<u>Additional Paid in Capital</u>	<u>Accumulated Deficit</u>	<u>Total</u>
Balances at December 31, 2021	\$ 1,000	\$ 124,939	\$ (37,260)	\$ 88,679
Non-cash capital contributions	-	9,425	-	9,425
Net income (loss)	-	-	(49,857)	(49,857)
Balances at December 31, 2022	<u>\$ 1,000</u>	<u>\$ 134,364</u>	<u>\$ (87,117)</u>	<u>\$ 48,247</u>

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

CHAPWOOD SECURITIES, INC.
Statement of Cash Flows
For the Year Ended December 31, 2022

Cash Flows From Operating Activities:

Net loss	\$ (49,857)
Adjustments to reconcile net loss to net cash used in operating activities:	
Non-cash capital contributions	9,425
Amortization expense	5,000
Change in operating assets and liabilities	
(Increase) decrease in other assets	417
Increase (decrease) in accounts payable	<u>2,275</u>
Net cash provided (used) in Operating Activities	<u>(32,740)</u>

Cash Flows From Investing Activities:

	<u>-</u>
Net cash provided (used) in Investing Activities	<u>-</u>

Cash Flows From Financing Activities:

Cash capital contributions	<u>-</u>
Net cash provided (used) in Financing Activities	<u>-</u>

Net decrease in cash (32,740)

Cash, at beginning of year 51,555

Cash, at end of year \$ 18,815

Supplemental Disclosures of Cash Flow Information:

Cash paid during the year for:

Interest	<u><u>\$ -</u></u>
Income taxes	<u><u>\$ -</u></u>

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

CHAPWOOD SECURITIES, INC
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE A – SUMMARY OF ACCOUNTING POLICIES

Accounting principles followed by the Company and the methods of applying those principles which materially affect the determination of financial position, results of operation and cash flows are summarized below:

Organization

Chapwood Securities, Inc. (the Company) was incorporated in Texas 2011 and is located in Plano, TX. In May 2019, the Financial Industry Regulatory Authority, Inc. (FINRA) approved the Company's application to provide broker-dealer services for the sale of private placement securities.

Description of Business

The Company, located in Plano, TX is a broker and dealer in securities registered with the Securities and Exchange Commission ("SEC") and is a member of FINRA. The Company is considered "Non-Covered Firm" exempt from 17 C.F.R. §240.15c3-3 and is filing an Exemption Report relying on footnote 74 to SEC Release 34-70073, and as discussed in Q&A 8 of the related FAQ issued by the SEC staff. The Company limits its business activities exclusively to: (1) acting as the broker or dealer in the sale oil and gas interests (2) the sale of private placements of securities.

Basis of Accounting

The financial statements of the Corporation have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Estimates

The preparation 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 disclosure 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 could differ from those estimates.

Revenue Recognition

The Company has two primary lines of business: (i) alternative investments and (ii) financial advisory services earned. Revenue from contracts with customers subject to the guidance in ASC 606 from the Company is included within the securities commissions and fees within the Statement of Operations. Commissions and fees revenue is generally recognized at a point in time upon the delivery of contracted services based on a predefined contractual amount or on the trade date for trade execution services based on prevailing market prices and internal and regulatory guidelines.

CHAPWOOD SECURITIES, LLC
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE A – SUMMARY OF ACCOUNTING POLICIES, continued

Alternative investments. Alternative Investment revenues are recorded when all contractual obligations have been performed and the Company is reasonably assured of their collection. The contractual obligations include securing the necessary approvals from the transfer agents and general partners on the respective transactions. Generally, revenues are due at or shortly after the close of the respective transaction, and therefore the Company does not have a significant amount of commission receivable at the end of a reporting period.

Financial advisory services. From time to time the Company performs financial advisory functions for its customers. The performance obligations are satisfied on the date the service is delivered because there are no remaining tasks which are to be performed related to the service that is delivered.

Income Taxes

For federal income tax purposes, the Company is taxed as corporation. Current provisions or benefits for income taxes are recorded based on estimates of actual income taxes or refunds thereof, as reported in federal and state tax returns.

The Company accounts for deferred income taxes using the asset liability method. Under this method, deferred tax assets and liabilities are recognized for the future tax consequence attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income during the period that includes the enactment date. Additionally, deferred tax assets may be reduced by a valuation allowance to reflect benefits that may not be realized.

NOTE B – 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 the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1. As of December 31, 2022, The Company had net capital of \$15,115 which was \$10,115 in excess of its required net capital of \$5,000. The Company's net capital ratio was approximately 0.24 to 1.

NOTE C – POSSESSION OR CONTROL REQUIREMENTS

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), throughout the most recent fiscal year without exception.

CHAPWOOD SECURITIES, LLC
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE D – RELATED PARTY TRANSACTIONS

The Company leases office space from its sole shareholder. The office space is shared by Chapwood Securities Inc. and Chapwood Investments LLC, an affiliated company which is commonly owned by the sole shareholder. During the year rentals of \$6,600 were charged to the Company for occupancy and communications reimbursement. The sole shareholder treated these rentals as a capital contribution.

NOTE E – COMMITMENTS AND CONTINGENCIES

The Company does not have any commitments, guarantees or contingencies. The Company is not aware of any threats or other circumstances that may lead to the assertion of a claim at a future date.

Schedule I
CHAPWOOD SECURITIES, INC.
Supplemental Information
Pursuant to Rule 17a-5
December 31, 2022

Computation of Net Capital

Total Member's equity qualified for net capital	<u>\$ 48,247</u>
Deductions / charges	
Non-allowable assets:	
Other assets	1,049
Purchased goodwill	<u>32,083</u>
Total deductions / charges	<u>33,132</u>
Net Capital before haircuts on securities positions	<u>15,115</u>
Haircuts on securities:	<u>\$ -</u>
Net Capital	<u><u>\$ 15,115</u></u>
Aggregate indebtedness	
Accounts payable and accrued expenses	\$ 3,700
Other liabilities	<u>-</u>
Total aggregate indebtedness	<u><u>\$ 3,700</u></u>
Computation of basic net capital requirement	
Minimum net capital required (greater of \$5,000 or 6 2/3% of aggregate indebtedness)	<u>\$ 5,000</u>
Net capital in excess of minimum requirement	<u><u>\$ 10,115</u></u>
Ratio of aggregate indebtedness to net capital	<u><u>0.24 to 1</u></u>

Reconciliation of Computation of Net Capital

There were no differences in the computation of net capital under Rule 15c3-1 from the Company's computation.

See accompanying report of independent registered public accounting firm.

Schedule II & III
CHAPWOOD SECURITIES, INC.
Supplemental Information
Pursuant to Rule 17a-5
December 31, 2022

Statement Regarding Changes in Liabilities Subordinated to Claims of General Creditors

No statement is required as no subordinated liabilities existed at any time during the year.

Statement Regarding Reserve Requirements and Possession or Control Requirements

The Company is considered "Non-Covered Firm" exempt from 17 C.F.R. §240.15c3-3 and is relying on footnote 74 to SEC Release 34-70073, and as discussed in Q&A 8 of the related FAQ issued by the SEC staff. The Company limits its business activities exclusively to: (1) acting as the broker or dealer in the sale oil and gas interests (2) the sale of private placements of securities.

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), throughout the most recent fiscal year without exception.

See accompanying report of independent registered public accounting firm.

ROBERT F. SANVILLE, CPA
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NATHANIEL S. HARTGRAVES, CPA

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Report of Independent Registered Public Accounting Firm

To the Board of Directors of
Chapwood Securities, Inc.

We have reviewed management's statements, included in the accompanying Exemption Report, in which Chapwood Securities, Inc. (the Company) stated that:

1. The Company does not claim an exemption under paragraph (k) of 17 C.F.R. § 240.15c3-3;
2. The Company is filing an Exemption Report relying on Footnote 74 of the SEC Release No. 34-70073 adopting amendments to 17 C.F.R. § 240.17a-5 because the Company limits its business activities exclusively to (1) acting as the broker or dealer in the sale of oil and gas interests; (2) the sale of private placements of securities throughout the most recent fiscal year; and
3. 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 17 C.F.R. § 240.15c2-4; (2) did not carry accounts of or for customers; and (3) did not carry proprietary accounts of broker-dealers (as defined in 17 C.F.R. § 240.15c3-3) throughout the most recent fiscal year without exception.

The Company's management is responsible for 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 that the Company limited its business activities exclusively to (1) acting as the broker or dealer in the sale of oil and gas interests; (2) the sale of private placements of securities and (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 17 C.F.R. § 240.15c2-4; (2) did not carry accounts of or for customers; and (3) did not carry proprietary accounts of broker-dealers (as defined in 17 C.F.R. § 240.15c3-3) throughout the most recent fiscal year without exception. 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 17 C.F.R. § 240.17a-5.

Sanville & Company

Dallas, Texas
March 1, 2023

Chapwood Securities, Inc. Exemption Report

Chapwood Securities, Inc. (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 its knowledge and belief, the Company states the following:

- (1) The Company is considered "Non-Covered Firm" exempt from 17 C.F.R. §240.15c3-3 and is filing an Exemption Report relying on footnote 74 to SEC Release 34-70073, and as discussed in Q&A 8 of the related FAQ issued by the SEC staff. The Company limits its business activities exclusively to:
(1) acting as the broker or dealer in the sale oil and gas interests (2) the sale of private placements of securities.
- (2) 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), throughout the most recent fiscal year without exception.

I, Edward Butowsky, swear (or affirm) that, to my best knowledge and belief, this exemption report is true and correct.

Regards,



President

Date of Report: February 14, 2023