SAFRA SECURITIES LLC
(SEC. I.D. No. 8-51935)

STATEMENT OF FINANCIAL CONDITION AS OF JUNE 30, 2023

UNAUDITED

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# SAFRA SECURITIES LLC

## STATEMENT OF FINANCIAL CONDITION
## AS OF JUNE 30, 2023

### ASSETS

| | | |
|---|---|---|
| Cash and cash equivalents | $ | 54,627,756 |
| Cash required to be segregated under federal or other regulations | | 310,028 |
| Deposits with clearing organizations | | 10,261,989 |
| Securities borrowed | | 9,917,750 |
| Securities purchased under agreements to resell | | 182,958,434 |
| Receivable from brokers, dealers and clearing organizations | | 1,167,935 |
| Receivable from customers | | 1,756,701 |
| Other assets | | 4,972,114 |
| TOTAL ASSETS | $ | 265,972,707 |

### LIABILITIES AND MEMBER'S CAPITAL

| | | |
|---|---|---|
| LIABILITIES: | | |
| Payable to customers | $ | 53,693,457 |
| Payable to brokers, dealers and clearing organizations | | 4,318,366 |
| Accrued expenses and other liabilities | | 4,118,516 |
| Due to Parent and affiliate | | 888,459 |
| Total liabilities | | 63,018,798 |
| COMMITMENTS AND CONTINGENT LIABILITIES (Note 12) | | |
| MEMBER'S CAPITAL | | 202,953,909 |
| TOTAL LIABILITIES AND MEMBER'S CAPITAL | $ | 265,972,707 |

See accompanying notes to statement of financial condition.

## 1. ORGANIZATION AND NATURE OF OPERATIONS

Safra Securities LLC (the "Company") is a single member Delaware Limited Liability Company and a wholly owned subsidiary of Safra National Bank of New York (the "Bank" or the "Parent") and disregarded as an entity separate from the Bank for income tax purposes. The Company is registered with the Securities and Exchange Commission ("SEC") and is a member of the Financial Industry Regulatory Authority ("FINRA") and the Municipal Securities Rulemaking Board ("MSRB"). The Company's business includes providing foreign and domestic securities brokerage services to its customers. The Company also engages in proprietary investments.

The Company clears and settles securities transactions and accordingly carries security accounts for customers and is subject to the requirements of Customer Protection Rule 15c3-3 ("Rule 15c3-3") and Net Capital Rule 15c3-1 ("Rule 15c3-1") under the Securities Exchange Act of 1934.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Basis of Presentation —** The Company maintains its accounts and prepares its statement of financial condition in accordance with accounting principles generally accepted in the United States of America (hereinafter referred to as "generally accepted accounting principles" or "U.S. GAAP").

**Use of Estimates in the Preparation of Statement of Financial Condition —** The preparation of the accompanying statement of financial condition in conformity with U.S. GAAP 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 statement of financial condition. Significant accounting estimates reflected in the Company's statement of financial condition include the measurement of fair value of the Company's securities owned. Management believes that the estimates utilized in the preparation of the statement of financial condition are prudent and reasonable based on the best available information. Actual results could be materially different from those estimates.

**Cash and Cash Equivalents —** The Company has defined cash equivalents as highly liquid investments, with original maturities of three months or less that are not segregated and on deposit for federal or regulatory purposes. Cash and cash equivalents include deposits with banks and money market funds.

**Cash Required to be Segregated under Federal or Other Regulations —** Cash required to be segregated under federal or other regulations consists of non interest-bearing cash held in a special reserve bank account pursuant to Rule 15c3-3. The Company primarily pledges securities purchased under agreements to resell (resale agreements) in excess of its reserve requirements to meet its segregation requirements. The Company applies the practical expedient based on collateral maintenance provisions under ASC 326 *Financial Instruments – Credit Losses*, in estimating an allowance for credit losses for resale agreements. In accordance with the practical expedient, when the Company reasonably expects that counterparties will replenish the collateral as required, there is no expectation of credit losses when the collateral's fair value is greater than the amortized cost of the financial asset. If the amortized cost exceeds the fair value of collateral, then credit losses are estimated only on the unsecured portion.

**Deposits with Clearing Organizations —** The Company is a member of various clearing organizations at which it maintains cash and securities required for the conduct of its day-to-day clearance activities. The Company primarily pledges securities purchased under agreements to resell (resell agreements) with the clearing organizations to meet its margin requirements. The Company applies the practical expedient based on collateral maintenance provisions under ASC 326 *Financial Instruments – Credit Losses*, in estimating an allowance for credit losses for resale agreements. In accordance with the practical expedient, when the Company reasonably expects that counterparties will replenish the collateral as required, there is no expectation of credit losses when the collateral's fair value is greater than the amortized cost of the financial asset. If the amortized cost exceeds the fair value of collateral, then credit losses are estimated only on the unsecured portion.

**Receivable from and Payable to Customers -** Receivable from customers represents credit extended to customers to finance their purchases of securities on margin. The Company monitors margin levels and requires customers to deposit additional collateral, or reduce margin positions to meet minimum collateral requirements if the fair value of the collateral changes. The Company applies the practical expedient based on collateral maintenance provisions in estimating an allowance for credit losses for margin loans. When determining the estimate of the expected credit losses for amounts receivable for margin loans, the Company considers its actual historical collection experience, the length of time the receivable has been outstanding and the credit quality of its customers. The Company continually reviews these credit quality indicators. All receivables for margin loans were current as of June 30, 2023. There were no changes in the factors that influenced management's accounting policies or their current estimate of credit losses and there were no significant write-offs during the period. As a result, the expected credit losses as of June 30, 2023, were not material. Securities owned by customers, including those that collateralize margin or other similar transactions, are not reflected in the statement of financial condition. Payable to customers primarily represents deposits of customer cash, and also includes credits in customer accounts related to sales of securities and other funds pending completion of securities transactions. Customers' securities transactions are recorded on a settlement date basis.

**Receivable from and Payable to Brokers, Dealers and Clearing Organizations —** Receivable from brokers, dealers and clearing organizations include amounts receivable for securities not delivered by the Company to a purchaser by the settlement date ("securities failed to deliver"), net receivables arising from unsettled trades, receivables from clearing organizations and commissions receivable. The Company's trades and contracts are primarily cleared through a clearing organization and settled daily between the clearing organization and the Company. Because of this daily settlement, the amount of unsettled credit exposures is limited to the amount owed the Company for a very short period of time. The Company continually reviews the credit quality of its counterparties. As of June 30, 2023 all receivables were collectible. Payable to brokers, dealers and clearing organizations include amounts payable for securities not received by the Company from a seller by the settlement date ("securities failed to receive") and payables due to clearing organizations. The Company presents securities failed to deliver/receive on a gross basis.

**Securities Borrowed and Loaned —** Securities borrowed and securities loaned are recorded at the amount of cash collateral advanced or received. Deposits paid for securities borrowing transactions require the Company to deposit cash with the lender. With respect to deposits received for securities loaned the Company receives collateral in the form of cash in an amount generally in excess of the market value of the securities loaned. Interest income and interest expense are recorded on an accrual basis. The Company minimizes credit risk associated with these activities by daily monitoring collateral values and requiring additional collateral to be deposited with the Company as permitted under contractual provisions. The Company did not have securities loaned at June 30,

2023. The Company applies the practical expedient based on collateral maintenance provisions in estimating an allowance for credit losses for securities borrowed receivables.

**Securities Purchased Under Agreement to Resell and Securities Sold Under Agreements to Repurchase –** Securities purchased under agreements to resell and securities sold under agreements to repurchase are recorded at contract value, which approximates fair value. Collateral is marked at fair value and received in excess of the principal amount loaned under reverse repurchase agreements to mitigate credit exposure. To ensure that the fair value of the underlying collateral remains sufficient, the collateral is valued daily with additional collateral obtained or excess collateral returned, as permitted under contractual provisions. The Company did not have securities sold under agreements to repurchase at June 30, 2023. The Company applies the practical expedient based on collateral maintenance provisions in estimating an allowance for credit losses for securities borrowed receivables.

**Translation of Foreign Currencies –** Assets and liabilities denominated in foreign currencies are translated at month-end rates of exchange. Transactions denominated in foreign currency are accounted for at the exchange rates prevailing on the related transaction dates.

**Income Taxes –** The Company accounts for income taxes in accordance with the provisions of ASC 740, which requires that an asset and liability approach be applied in accounting for income taxes and that deferred tax assets and liabilities be reflected for temporary differences using tax rates expected to be in effect when such differences reverse. Deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to temporary differences between the statement of financial condition carrying amounts of existing assets and liabilities and their respective tax basis. In assessing the usability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will be realized.

The Company's results of operations as a disregarded entity are included in the Bank's federal, state and local tax returns which are then included in a consolidated/combined return. Current and deferred taxes are allocated to the Company under the "separate-return" method. Under this method, the Company is assumed to file a separate return with the taxing authority, thereby reporting their taxable income or loss and paying the applicable tax to, or receiving the appropriate refund from, the Parent as if the Company was a separate taxpayer, except that net operating losses, if any, (or other current or deferred tax attributes) are characterized as realized (or realizable) by the Company when those tax attributes are realized (or realizable) by the consolidated federal/combined state/city tax return group even if the Company would not otherwise have realized the attributes on a stand-alone basis. Combined state apportionment factors are also utilized by the Company. Accrued income taxes are included in Due to Parent and affiliate or as a tax receivable in Other assets, as applicable, in the accompanying statement of financial condition. This method for allocating income tax expense, pursuant to this income tax allocation method is systematic, rational and consistent with the broad principles of the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 740, *Income Taxes*.

The Company recognizes tax positions in the statement of financial condition only when it is more likely than not that the position will be sustained upon examination by relevant taxing authorities based on the technical merits of the position. A position that meets this standard is measured at the largest amount of benefit that will more likely than not be realized upon settlement. A liability is established for differences between positions taken in a tax return and amounts recognized in the statement of financial condition including related interest and penalties.

**Fair Value of Financial Instruments —** The fair value of a financial instrument is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (the exit price). Financial instruments that the Company owns are measured at fair value using bid prices. Fair value measurements do not include transaction costs. Refer to Note 8 for further details of such financial instruments.

As required by U.S. GAAP, the Company uses a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three broad levels of the fair value hierarchy are described below.

**Basis of Fair Value Measurements**

*Level 1 Inputs* **—** unadjusted quoted market prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Valuation of these assets and liabilities does not entail a significant degree of judgment.

*Level 2 Inputs* **—** inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Examples of financial instruments with such inputs include U.S. Agency securities, municipal bonds, corporate bonds.

*Level 3 Inputs* **—** unobservable inputs for the asset or liability that rely on management's own assumptions which are assumptions that management determines market participants would use in pricing the asset or liability. The unobservable inputs should be developed based on the best information available in the circumstances and may include the Company's own data. An example of financial instruments with such inputs include certain mortgage-backed securities.

**Revenue Recognition**-In accordance with the provisions of ASC 606, *Revenue from Contracts with Customers*, the Company recognizes revenue when it transfers promised services to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those services. A good or service is transferred to a customer when, or as, the customer obtains control of that good or service. Trade execution and clearing services, when provided together, represent a single performance obligation as the services are not separately identifiable in the context of the contract. Each trade order represents a distinct performance obligation. 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 risks and rewards of ownership have been transferred to/from the customer.

**Recent Accounting Pronouncements**

**Current Expected Credit Losses** – The Company follows FASB ASC Topic 326 – "*Financial Instruments – Credit Losses*" ("ASC Topic 326") which applies to financial assets measured at amortized cost and off-balance sheet credit exposures. For on-balance sheet assets, an allowance must be recognized at the origination or purchase of in-scope assets and represents the expected credit losses over the contractual life of those assets. Expected credit losses on off-balance sheet credit exposures must be estimated over the contractual period the Company is exposed to credit risk as a result of a present obligation to extend credit. The impact to the current period is not material since the Company's in-scope assets are primarily subject to collateral maintenance provisions for which the Company elected to apply the practical expedient as described in FASB ASC 326-20-35-6.

The Company considers its actual historical collection experience, the length of time the receivable has been outstanding and the credit quality of its counterparties. The Company continually reviews these credit quality indicators. All receivables from broker, dealers, clearing organizations and customers were current as of June 30, 2023. There were no changes in the factors that influenced management's accounting policies or their current estimate of credit losses and there were no significant write-offs during the period. As a result, the expected credit losses as of June 30, 2023, were not material.

## 3. CASH AND CASH EQUIVALENTS

The Company maintained cash of $4,315,167 at one unaffiliated depository institution as of June 30, 2023. Demand deposits and certificate of deposits of $2,179,339 and $1,000,000, respectively, were held at the Bank at June 30, 2023. The Company also maintained money market accounts totaling $12,111 at certain depository institutions, and held money market funds with a fair value of $47,121,139 at June 30, 2023. See Note 8, Fair Value Measurements.

## 4. CASH REQUIRED TO BE SEGREGATED UNDER FEDERAL OR OTHER REGULATIONS

In accordance with SEC Rule 15c3-3, the Company as a broker carrying customer accounts, is subject to requirements related to maintaining cash and/or U.S. Government securities in a segregated reserve account for the exclusive benefit of its customers, which as of June 30, 2023, amounted to cash of $310,028. The Company segregated securities for regulatory purposes with a fair value of $5,671,730, which were sourced from securities purchased under agreements to resell agreements. See Note 7, Collateralized Transactions.

## 5. RECEIVABLE FROM AND PAYABLE TO BROKERS, DEALERS AND CLEARING ORGANIZATIONS

Amounts receivable from and payable to brokers, dealers and clearing organizations at June 30, 2023, consist of:

| | Receivable | Payable |
|---|---|---|
| Securities failed-to-deliver / receive | $ 134,693 | $ 4,299,968 |
| Securities transactions pending settlement, net | 673,046 | - |
| Receivables from/payable to brokers, dealers and clearing organizations | 360,196 | 18,398 |
| Total | $ 1,167,935 | $ 4,318,366 |

## 6. RELATED-PARTY TRANSACTIONS

The Company functions as a broker and has an omnibus account relationship with the Bank and customer relationships with various other affiliates. As of June 30, 2023, the Bank's omnibus account had a balance of $691,699 which is included in Receivable from customers and other affiliates had a balance of $840,088 which are included in Payable to customers.

The Company further enters into securities purchased under agreements to resell with the Bank. Collateral is valued daily and the Company may require the Bank to deposit additional collateral when appropriate. As of June 30, 2023, the Company maintained an open reverse repurchase contract for $182,958,434 versus the Bank. The fair value of these purchased securities under agreements to resell, which can be rehypothecated, was $182,329,553 at June 30, 2023.

At June 30, 2023, the Company had demand deposits and certificate of deposits of $2,179,339 and $1,000,000, respectively, at the Bank, which is included in Cash and cash equivalents.

The Company had a tax payable to the Bank of $888,459 which is included in Due to Parent and affiliate, and a receivable from the Bank & Affiliate of $437,254 which is included in Other assets in the accompanying statement of financial condition as of June 30, 2023.

As of June 30, 2023, the Company maintains a $50,000,000 uncommitted line of credit with the Bank. With no pledged collateral at the Bank, the Company did not utilize its available line of credit and there were no borrowings against the line as of June 30, 2023. Any securities hypothecated cannot be repledged by the Bank.

## 7. COLLATERALIZED TRANSACTIONS

The Company borrows securities from other broker dealers to fulfill short sales by customers and delivers cash to the lender in exchange for securities. The fair value of these borrowed securities, which can be rehypothecated, was $9,826,407 at June 30, 2023. The Company manages credit exposure arising from such transactions by, in appropriate circumstances, entering into master netting agreements and collateral agreements with counterparties that provide the Company, in the event of a counterparty default (such as a bankruptcy or counterparty's failure to pay or perform), with the right to net a counterparty’s rights and obligations under such agreement and liquidate and set-off collateral held by the Company against the net amount owed by the counterparty. Securities borrowed are open maturity transactions.

The Company enters into securities purchased under agreements to resell with the Bank. Collateral is valued daily and the Company may require the Bank to deposit additional collateral when appropriate. As of June 30, 2023, the Company maintained an open revere repurchase contract for $182,958,434 versus the Bank. The fair value of these purchased securities under agreements to resell, which can be rehypothecated, was $182,329,553 at June 30, 2023. Securities segregated for regulatory purpose consisted of securities purchased under agreements to resell of $5,806,361, which amount to the approximate fair value. Securities pledged to various clearing organizations consisted of securities purchased under agreements to resell of $85,885,756, which amounts to the approximate fair value.

The following table presents information about the offsetting of securities and related collateral amounts as of June 30, 2023.

| | Gross Amount Recognized | Gross Amount Offset in the Statement of Financial Condition | Net Amount Presented in Statement of Financial Condition | Not Offset in the Statement of Financial Condition: Financial Instruments | Not Offset in the Statement of Financial Condition: Cash Collateral Received | Net Amount |
|---|---|---|---|---|---|---|
| **ASSETS:** | | | | | | |
| Securities Borrowed | $ 9,917,750 | $ - | $ 9,917,750 | $ 9,826,407 | $ - | $ 91,343 |
| Securities Purchased Under Agreements to Resell | $ 182,958,434 | $ - | $ 182,958,434 | $ 182,329,553 | $ - | $ 628,881 |

## 8. FAIR VALUE MEASUREMENTS

The Company's assets and liabilities recorded at fair value have been categorized based upon the fair value hierarchy described in Note 2. There were no transfers between Levels 1, 2, and 3 during the period ended June 30, 2023.

### Assets and Liabilities Measured at Fair Value on a Recurring Basis

The following table presents the Company's fair value hierarchy for assets measured at fair value on a recurring basis as of June 30, 2023. There were no liabilities recorded at fair value as of June 30, 2023.

| | Financial Assets at Fair Value as of June 30, 2023: Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| **ASSETS:** | | | | |
| Cash equivalents: | | | | |
| Money market funds | $ 47,121,139 | $ - | $ - | $ 47,121,139 |
| Certificate of Deposit | 1,000,000 | - | - | 1,000,000 |
| | $ 48,121,139 | $ - | $ - | $ 48,121,139 |
| Total | $ 48,121,139 | $ - | $ - | $ 48,121,139 |

### Other Financial Assets and Liabilities

For all other financial assets and liabilities not measured at fair value, the carrying value approximates fair value due to their short term nature. These other financial assets and liabilities include cash deposited with clearing organizations, receivable and payable from/to customers, receivable and payable from/to brokers, dealers and clearing organizations, securities borrowed, securities purchased under agreements to resell, due to Parent and affiliate, and accrued expenses and other liabilities.

## 9. INCOME TAXES

The Company's primary temporary differences result from net unrealized gains and losses of securities owned that are recorded at fair value for book purposes and certain accrued expenses that are deductible on a cash basis for tax purposes. At June 30, 2023, the Company had a gross deferred tax asset of $1,500,590 and a gross deferred tax liability of $14,792 which is included in Other Assets in the accompanying statement of financial condition at the net amount of $1,485,798. After consideration of all relevant evidence, the Company believes that it is more likely than not that a benefit will be realized for federal and state and local assets and accordingly, no valuation allowance was recorded against these assets.

The Company is organized as a limited liability company and is treated as a disregarded entity for federal income tax purposes. The Company entered into a legal tax-sharing agreement with the Bank to be treated as a corporate division and recognizes an allocation of income taxes in its separate financial statements pursuant to ASC 740-10-30-27A. This Accounting Standard allows an allocation of current and deferred taxes to the members of a consolidated tax group, including disregarded entities. As previously mentioned, current and deferred taxes are allocated to the Company under the "separate-return" method with certain modifications. The method for allocating income tax expense, is systematic, rational, and consistent with the broad principles of ASC 740. Pursuant to the tax-sharing agreement discussed previously, the Company reimburses the Bank for all income taxes payable. As of June 30, 2023, the Company had a tax payable of $888,459 with the Bank which is included in Due to Parent & Affiliate on the statement of financial condition.

As of June 30, 2023 there were no unrecognized tax benefits recorded or related interest and penalties for which the Company had accrued. The Company is subject to taxation in the U.S., New York State, Florida and New York City. As of June 30, 2023, the Company's tax years 2017 and after are subject to examination by the taxing authorities. Where tax returns have not been filed, the statute of limitations remains open indefinitely.

## 10. EMPLOYEE BENEFIT PLANS

The Bank has a 401(k) profit sharing plan that covers all eligible employees of the Company who have attained the age and service requirements, as defined in the plan. Eligible employees are immediately vested.

## 11. RISK MANAGEMENT

The Company's cash and cash equivalents at June 30, 2023 includes $4,315,167 deposited at one unaffiliated depository institution, which is rated by credit rating agencies. The Company also has a netting agreement with the depository institution regarding foreign currency balances. In addition, at June 30, 2023, the Company has $12,111 in money market accounts at certain depository institutions, which are rated by credit rating agencies.

The Company is engaged in various trading and brokerage activities in which counterparties primarily include broker-dealers, banks, and other financial institutions. In the event counterparties do not fulfill their obligations, the Company may be exposed to risk. The risk of default depends on the creditworthiness of the counterparties or issuer of the instrument. It is the Company's policy to review, as necessary, the credit standing of each counterparty.

The Company has policies and procedures in place to address overall market risk, credit risk, and settlement risk defined as follows:

Market Risk - Risk of loss in a portfolio due to an adverse change in the value of a financial product

Credit Risk - Risk that a borrower will default on any type of debt by failing to make required payments

Settlement Risk - Risk that one party will fail to deliver the terms of a contract with another party at the time of settlement. Settlement risk can be the risk associated with default at settlement and any timing differences in settlement between the two parties.

## 12. COMMITMENTS AND CONTINGENCIES

In the normal course of business, the Company may enter into contracts that contain various guarantees and indemnities including contracts where it executes, as agent or principal, transactions on behalf of customers. If the transactions do not settle because of failure to perform by either counterparty, the Company may be required to discharge the obligation of the nonperforming party and, as a result, may incur a loss if the market value of the underlying security is different from the contract amount of the transaction. The Company has the right to pursue collection or performance from the counterparties who do not perform under their contractual obligations.

The Company is a member of various exchanges and clearinghouses that trade and clear securities and/or derivative contracts. Associated with its membership, the Company may be required to pay a certain amount as determined by the exchange or the clearinghouse in case of a default of any of its members or pay a proportionate share of the financial obligations of another member that may default on its obligations to the exchange or the clearinghouse. The maximum potential payout under these rules cannot be estimated. The Company has not recorded any contingent liability in its statement of financial condition for these agreements and believes that any potential requirement to make payments under these agreements is remote.

The Company has a $40 million uncommitted line of credit signed with a U.S. depository institution. There were no borrowings against the line as of June 30, 2023. The Company also has a $50 million uncommitted line of credit with the Bank, as mentioned in Note 6.

The Company is not a party to any litigation involving the various aspects of its business at June 30, 2023.

## 13. MEMBER'S CAPITAL

Contributions of capital are recognized when received. Cash distributions of capital are recognized when paid. In February 2023, the Company made a $10 million cash distribution to the Parent.

## 14. NET CAPITAL REQUIREMENT

As a broker-dealer registered with the SEC, the Company is subject to the SEC Uniform Net Capital Rule (Rule 15c3-1). The Company computes its net capital requirement under the alternative method provided for in Rule 15c3-1, which requires the Company to maintain minimum net capital equal to the greater of 2% of aggregate customer-related debit items, as defined, or $250,000.

At June 30, 2023, the Company's net capital calculated in accordance with Rule 15c3-1 was $193,656,677 which was $192,181,593 in excess of its required minimum net capital of $1,475,084.

**15. SUBSEQUENT EVENTS**

The Company evaluated subsequent events through the date the statement of financial condition was issued and noted no subsequent events that would require recognition or disclosure in the statement of financial condition.