

AVENUE SECURITIES LLC

FINANCIAL STATEMENT
SEMI-ANNUAL

FOR THE SIX MONTH ENDED JUNE 30, 2025

(UNAUDITED)

Public Document

AVENUE SECURITIES LLC

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Avenue Securities LLC

Statement of Financial Condition

June 30, 2025

Assets

Cash and cash equivalents	114,179
Receivables from broker dealers and clearing organizations	1,465,308
Deposits with broker dealers and clearing organizations	586,798
Securities owned, at fair value	2,420,304
Interest receivable	997,192
Other receivables	145,827
Prepaid expenses and deposits	<u>497,579</u>
 Total assets	 <u><u>\$ 6,227,187</u></u>

Liabilities and Member's Equity

Liabilities

Payable to broker dealers and clearing organizations	\$ 23
Accounts payable and accrued expenses	1,803,391
Due to affiliate	888,098
 Total Liabilities	 <u>2,691,512</u>
 Member's equity	 <u>3,535,675</u>
 Total liabilities and member's equity	 <u><u>\$ 6,227,187</u></u>

See accompanying notes to the financial statement.
PUBLIC DOCUMENT

1. Organization and Nature of Business

Avenue Securities LLC (the "Company") is a Limited Liability Company formed in the State of Delaware. The Company is a broker-dealer registered with the Securities and Exchange Commission ("SEC") and is a member of the Financial Industry Regulatory Authority ("FINRA") and the Securities Investor Protection Corporation ("SIPC"). The Company is wholly-owned by Avenue Holdings Inc (the "Member").

On January 16, 2024, FINRA granted the Company permission to expand its business to operate a cash management money market fund sweep program for its customers. As a result of this business line expansion, the Company is now subject to Rule 15c3-3 (the Customer Protection Rule) of the Securities Exchange Act of 1934 and subject to a minimum net capital requirement of \$250,000 with respect to Rule 15c3-1(a)(2)(i).

The Company continues its primary business of brokering securities through its clearing firms on a fully disclosed basis and an introducing broker/dealer on a riskless basis. The Company's customers are primarily international.

2. Summary of Significant Accounting Policies

Basis of Financial Statement Presentation

The accompanying financial statement have been prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP"). The accounting policies and reporting practices of the Company conform to the predominant practices in the broker-dealer industry.

Management Estimates

The preparation of financial statement in conformity with US 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 financial statement, and the reported amounts of revenues and expenses during the reporting period. Management believes that the estimates utilized in preparing the Company's financial statement are reasonable. However, actual results could differ from those estimates and differences may be material.

Government and Other Regulation

A broker-dealer of securities business is subject to significant regulation by various governmental agencies and self-regulatory organizations. Such regulation includes, among other things, periodic examinations by these regulatory bodies to determine whether the Company is conducting and reporting its operations in accordance with the applicable requirements of these organizations. As a registered broker-dealer, the Company is subject to the Securities and Exchange Commission's net capital rule (Rule 15c3-1) which requires that the Company maintain a minimum net capital, as defined.

Cash and Cash Equivalents

The Company considers highly liquid instruments, with original maturities of three months or less at the date of acquisition, that are not held for sale in the ordinary course of business, to be cash equivalents. The Company has cash deposits with high credit quality financial institutions, which are insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000 per institution.

Cash segregated under federal and other regulations

The Company defines cash segregated for regulatory purposes as deposits of cash that have been segregated in special reserve bank accounts for the benefit of customers under Rule 15c3-3 of the SEC. At June 30, 2025 there was no requirement to maintain restricted cash included in cash segregated for regulatory purposes on the statement of financial condition.

2. Summary of Significant Accounting Policies (continued)

Receivables from and Payables to Brokers-Dealers and Clearing Organizations

The Company is a member of two clearing organizations which it maintains cash required in order to conduct its day-to-day clearance activities. Receivables from and payables to broker dealers and clearing organizations represent amounts due in connection with the Company's normal transactions involving trading and clearing of securities in the U.S. In addition, the net receivable or payable arising from unsettled trades would be reflected in either the receivable from or payable to broker dealers and clearing organizations line item on the statement of financial condition.

Deposits with clearing organizations represent cash deposited for the purposes of supporting clearing and settlement activities and are reflected in the receivable from broker dealers and clearing organizations line item on the statement of financial condition. The Company carries cash deposited with clearing organizations at cost, which approximates fair value.

Payables to broker dealers and clearing organizations include amounts payable to the Company's broker dealers and clearing organizations.

Interest Receivables

Interest receivables arise from customer balances in the cash management money market fund sweep program, which is held in an omnibus account in the name of The Company with a high-credit-quality financial institution.

Securities Transactions

All securities transactions are recorded on a settlement date basis. Securities owned are recorded at fair value.

Accounts Payable, Accrued Expenses, and Due to Affiliate

Accounts payable, accrued expenses, and due to an affiliate include accruals for employee related compensation, employee benefits and third-party services, as well as other payables.

Income Taxes

The Company is a single member limited liability company and is treated as a disregarded entity for federal income tax reporting purposes. The Internal Revenue Code ("IRC") provides that any income or loss is passed through to the ultimate beneficial individual member for federal, state and certain local income taxes. Accordingly, no income taxes are reflected in the accompanying financial statement.

The Company has adopted the provisions of FASB Accounting Standards Codification 740-10, Accounting for Uncertainty in Income Taxes. Under FASB ASC 740-10, the Company is required to evaluate each of its tax positions to determine if they are more likely than not to be sustained if the taxing authority examines the respective position. A tax position includes an entity's status, including its status as a pass-through entity, and the decision not to file a return. The Company has evaluated each of its tax positions and has determined that it has no uncertain tax positions for which a provision or liability for income taxes is necessary.

Segment Reporting

The Company adopted Accounting Standards Update (ASU) 2023-7, Disclosure of Financial Information for a Single Segment Entity. Under this guidance, the Company is required to disclose specific financial information for its single reportable segment.

2. Summary of Significant Accounting Policies (continued)

Segment Reporting - continued

The Company operates as a single reportable segment, focusing on broker dealer activities, mainly brokering securities for customers. All material financial information, including revenue, expenses, and assets, is reviewed and managed by the Company's Chief Operating Decision Maker (CODM) its chief executive officer.

As a result of operating as a single segment entity, the Company's financial statement reflect its overall performance without disaggregation into multiple segments.

Concentration of Credit Risk

The Company provides brokerage and related services to a customer base primarily internationally. The Company's exposure to credit risk associated with these transactions is measured on an individual customer. To reduce the potential for risk concentration, the Company may require collateral on a basis consistent with industry practice or regulatory requirements. The type and amount of collateral is continually monitored, and customers are required to provide additional collateral as necessary.

3. Fair Value Measurements

ASC 820, *Fair Value Measurements and Disclosures* ("ASC 820"), establishes a fair value hierarchy that prioritizes the significant 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 significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under ASC 820 are as follows:

- Level 1 – Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, including inputs in markets that are not considered to be active;
- Level 3 – Unobservable inputs for the asset or liability used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at measurement date

Inputs broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk. The Company uses actively quoted market prices as the primary input to its valuation. An individual investment's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. However, the determination of what constitutes "observable" may require judgment by the Company's management.

The Company considers observable data to be that market data which is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by multiple, independent sources that are actively involved in the relevant market. The categorization of an investment within the hierarchy is based upon the pricing transparency of that investment and does not necessarily correspond to the Company's perceived risk of that investment.

The Company's investments were within Level 1, as quoted prices for identical securities were readily available.

Avenue Securities LLC
Notes to Financial Statement
June 30, 2025

3. Fair Value Measurements (continued)

The following table presents the financial instruments carried on the statement of financial condition by level within the valuation hierarchy as of June 30, 2025:

	Fair Value Measurements	Level 1	Level 2	Level 3
	6/30/2025	Valuation	Valuation	Valuation
Assets				
Money market funds	\$ 2,322,232	\$ 2,322,232		
Brokered certificate of deposits	46,872	46,872		
Mutual funds	51,135	51,135		
Equities	65	65		
	<u>\$ 2,420,304</u>	<u>\$ 2,420,304</u>	<u>\$ -</u>	<u>\$ -</u>

There were no securities transfers in or out of Level 3 during the year.

Certain financial instruments that are not carried at fair value on the statement of financial condition are carried at amounts that approximate fair value due to their short-term nature and generally negligible credit risk. These instruments include cash, receivables from brokers and clearing organizations, interest receivables, prepaid expenses and deposits, accounts payable and accrued expenses, due to affiliate, payables to brokers and clearing organizations. Such amounts are measured as Level 1 within the fair value hierarchy.

4. Receivable from and Payable to Broker Dealers and Clearing Organizations

The Company has clearing agreements with clearing organizations to carry its accounts and the accounts of its clients as customers of the clearing organization. Pursuant to the clearing agreement, the Company introduces its customers' securities transactions to its clearing organization on a fully disclosed basis. In accordance with industry practice and regulatory requirements, the Company and the clearing organizations monitor collateral in the customers' accounts.

5. Transactions with Related Parties

The Company operates under an agreement with affiliates known as the Services Agreement, which was executed on March 1 2020 and has a term of one year. The Service Agreement identifies expenses shared by Avenue Services, a subsidiary of the Member, which are reimbursed by the Company. The Services Agreement identifies indirect shared expenses such as: office space, telecommunication and internet services, payroll processing fees, and bond (insurance) coverage costs to be shared by the Company and identifies direct costs such as employee compensation which are to be shared by the Company, payable in monthly payments to Avenue Services. A payable of \$888,098 for identified shared expenses is included in due to affiliated under the Statement of Financial Condition as of June 30, 2025. If the Company does not provide a 6 month notice before the completion of a 1-year term, the Service Agreement will automatically be renewed for an additional 1-year term.

The transactions with the affiliate described above and the effect thereof on the accompanying financial statement may not necessarily be indicative of the effect that might have resulted from dealing with non-affiliated parties.

Avenue Securities LLC
Notes to Financial Statement
June 30, 2025

6. Regulatory Requirements

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (Rule 15c3-1), which requires the maintenance of a minimum net capital, as defined, equal to the greater of \$250,000 or 6 2/3% of aggregate indebtedness.

At June 30, 2025, the Company's net capital of \$2,742,586 which was \$2,492,586 in excess of its required net capital of \$250,000. The Company's aggregate indebtedness to net capital percentage was 98%.

The Company is also subject to the SEC's Customer Protection Rule ("SEC Rule 15c3-3"), which requires, under certain circumstances, that cash or securities be deposited into a special reserve bank account for the exclusive benefit of customers. At June 30, 2025, the Company was not required to maintain cash segregated for the exclusive benefit of customers.

7. Customer Cash Segregated Under Federal and Other Regulations

In accordance with the provision of Rule 15c3-3 under the Securities Exchange Act of 1934, the Company is required to segregate cash and/or qualified securities for the exclusive benefit of customers.

At June 30, 2025 cash segregated under federal and other regulations consisted of the following:

	\$	-
Customer debit balance		-
Excess amount in reserve bank account		-
Total	<u>\$</u>	<u>-</u>

8. Off-Balance Sheet and Credit Risk

The Company's exposure to credit risk associated with the non-performance of customers in fulfilling their contractual obligations pursuant to securities transactions can be directly impacted by volatile trading markets which may impair the customer's ability to satisfy their obligations to the Company. In the event of non-performance, the Company may be required to purchase or sell financial instruments at unfavorable market prices resulting in a loss to the Company. The Company has established policies for maintaining qualifying collateral and continually assessing the creditworthiness of customers.

The Company does not anticipate non-performance by customers in the above situations.

In the normal course of business, the Company's customer activities involve the execution, settlement, and financing of various customer securities transactions. These activities may expose the Company to off-balance-sheet-risk in the event the customer or other broker is unable to fulfill its contractual obligations and the Company has to purchase or sell the financial instrument underlying the contract at a loss.

In the normal course of business, the Company encounters economic risk, mainly comprised of credit risk and market risk. Credit risk arises from the customer securities activities which are transacted on either cash or margin basis. These transactions may expose the Company to off-balance-sheet risk in the event the customer is unable to fulfill its contracted obligations and margin requirements are not sufficient to fully cover losses which customers may incur. In the event the customer fails to satisfy its obligations, the Company may be required to purchase or sell financial instruments at prevailing market prices in order to fulfill those obligations. In connection with its clearing arrangements, the Company is required to guarantee the performance of its customers in meeting their contracted obligations.

9. Commitments and Contingencies

The Company is subject to litigation in the normal course of business. The Company has no litigation, commitments, or contingent liabilities in progress at June 30, 2025.

