

STATEMENT OF FINANCIAL
CONDITION

GMP Securities, LLC
December 31, 2018
With Report of Independent Registered
Public Accounting Firm

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

OMB APPROVAL

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FORM X-17A-5
PART III
FACING PAGE

SEC FILE NUMBER

8-49291

Information Required of Brokers and Dealers Pursuant to Section 17 of the
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder

REPORT FOR THE PERIOD BEGINNING 01/01/18 AND ENDING 12/31/18
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER - DEALER:

GMP Securities, LLC

OFFICIAL USE ONLY

FIRM ID. NO.

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

530 Fifth Avenue, Floor 15

(No. and Street)

New York

(City)

NY

(State)

10036

(Zip Code)

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

Mr. Ilan Lessick

(212) 404-8326

(Area Code - Telephone No.)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Ernst & Young LLP

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

5 Times Square

(Address)

New York

(City)

NY

(State)

10036

(Zip Code)

CHECK ONE:

☒
☐
☐

Certified Public Accountant

Public Accountant

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

FOR OFFICIAL USE ONLY

*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See section 240.17a-5(e)(2).

SEC 1410 (06-02)

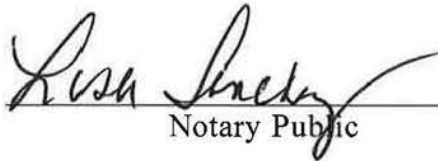
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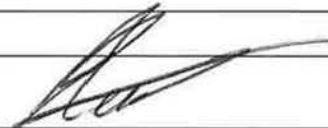
OATH OR AFFIRMATION

I, Ilan Lessick, swear (or affirm) that, to the best of my knowledge and belief the accompanying Statement of Financial Condition pertaining to the firm of GMP Securities, LLC as of December 31, 2018, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

None noted

LISA SANCHEZ ..
NOTARY PUBLIC-STATE OF NEW YORK
No. 01SA6267033
Qualified in Queens County
My Commission Expires 08-13-2020


Notary Public


Signature

Chief Financial Officer – Managing
Director

Title

This report ** contains (check applicable boxes):

- ☒ (a) Facing Page.
☒ (b) Statement of Financial Condition.
☒ (l) An Oath or Affirmation.

***For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).*

GMP Securities, LLC

STATEMENT OF FINANCIAL CONDITION

December 31, 2018

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Report of Independent Registered Public Accounting Firm

To the Member and Management of
GMP Securities, LLC

Opinion on the Financial Statement

We have audited the accompanying statement of financial condition of GMP Securities, LLC (the Company) as of December 31, 2018 and the related notes (the "financial statement"). In our opinion, the financial statement presents fairly, in all material respects, the financial position of the Company at December 31, 2018, in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

This financial statement is the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statement based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to 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 statement of financial condition is free of material misstatement, whether due to error or fraud. Our audit included performing procedures to assess the risks of material misstatement of the financial 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 statement. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Ernst & Young LLP

We have served as the Company's auditor since 2012.

March 7, 2019

GMP Securities, LLC

Statement of Financial Condition

December 31, 2018

Assets

Cash and cash equivalents	\$	415,699
Restricted cash		759,826
Due from brokers and dealers		8,172,667
Securities owned, at fair value		3,673,670
Fixed assets, net of accumulated depreciation and amortization of \$ 2,464,133		746,455
Due from affiliates		95,376
Receivables from non-customers		19,292
Other assets		396,889
Total assets	\$	<u>14,279,874</u>

Liabilities and member's equity

Liabilities:

Securities sold, not yet purchased, at fair value	\$	902,517
Accrued compensation		1,623,128
Due to affiliates		1,042,662
Accrued expenses and other liabilities		1,227,766
Total liabilities	\$	<u>4,796,073</u>

Member's equity		<u>9,483,801</u>
Total liabilities and member's equity	\$	<u>14,279,874</u>

See accompanying Notes to Statement of Financial Condition

GMP Securities, LLC

Notes to the Statement of Financial Condition

December 31, 2018

1. Organization

GMP Securities, LLC (“GMP” or the “Company”), a New York limited liability company, is a registered broker-dealer with the Securities and Exchange Commission (“SEC”) under the Securities Exchange Act of 1934 and a member of Financial Industry Regulatory Authority (“FINRA”) and the Securities Investor Protection Corporation (“SIPC”). It is also registered in Canada as an Exempt Market Dealer. The Company is a wholly owned subsidiary of GMP MTR Acquisition Inc., a Delaware corporation. The Company is ultimately owned by GMP Capital Inc. (the “Parent”), which is publicly listed on the Toronto Stock Exchange in Canada.

GMP is an institutional broker-dealer, with its head office in New York City, specializing primarily in the secondary trading of fixed income securities, (high yield, convertible and emerging market debt), as well as trading and making markets in equity securities.

The Company also offers investment banking advisory and debt capital market services, with respect to new issuers, all housed in its New York office. The Company clears its securities transactions on a fully disclosed basis through Pershing, LLC (“Clearing Broker”) and is therefore exempt from the requirements of SEC Rule 15c3-3 under paragraph k(2)(ii).

2. Significant Accounting Policies

The accompanying statement of financial condition have been prepared in accordance with United States Generally Accepted Accounting Principles (“U.S. GAAP”) and in accordance with Accounting Standards Codification (“ASC”) as set forth by the Financial Accounting Standards Board.

The preparation of the statement of financial condition in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the statement of financial condition and accompanying notes. Management believes that the estimates utilized in preparing its statement of financial condition are reasonable and prudent; however, actual results could differ from those estimates.

In February 2016, the FASB established ASC 842 – Leases, which is effective as of January 2019. The new standard establishes a model which requires the lessee (the Company), to recognize a right-of-use (ROU) asset and lease liability on the balance sheet. Additionally, the standard requires the classification of a lease as a financing or operating lease. The Company has adopted the new standard on January 1, 2019 and used the effective date as the date of initial recognition. The Company assessed that it will be required to recognize new ROU asset and lease liability amounting to \$8,493,460 upon initial recognition.

GMP Securities, LLC

Notes to the Statement of Financial Condition (continued)

December 31, 2018

All securities transactions and related revenues and expenses are recorded on a trade-date basis. Securities owned and securities sold, not yet purchased are recorded at fair value with the unrealized profit or loss reflected in net realized and unrealized gains on trading activities on the statement of operations.

Trading commission revenues, which are derived primarily from customers, and related expenses arising from customer securities transactions are recorded on a trade-date basis. Interest income and expense are recorded on an accrual basis. Dividend income is recorded at the ex-dividend date.

Investment banking revenues include fees earned from providing advisory services primarily to customers and are recorded once the performance obligation has been met. Investment banking fees are recorded in accordance with ASC 606 which was adopted on January 1, 2018. In accordance with ASC 606, revenue determination is based on the following five step model.

1. Identify the contracts with a customer
2. Identify the performance obligations in the contract
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations in the contract
5. Recognize revenue when (or as) the entity satisfies a performance obligation

The Company's revenue is mainly comprised of trading gains and losses, which is excluded from the scope of this guidance. Other revenues which are subject to the standard, mainly commissions earned as agent on securities transactions and investment banking fees were subject to this new guidance. The Company adopted this new ASU on January 1, 2018 and it did not have a significant impact on the Company's financial condition, results of operations, or liquidity in 2018.

The carrying value of substantially all of the Company's financial assets and liabilities that are not carried at fair value on the statement of financial condition will approximate the fair value generally due to their short-term nature or since they are highly liquid. This includes cash and cash equivalents, due from brokers and dealers, and due from/due to affiliates. Cash and cash equivalents would be classified as Level 1 and due from brokers and dealers and due from/due to affiliates would be classified as Level 2 within the fair value hierarchy.

The Company considers all highly liquid investments purchased with an original maturity date of three months or less to be cash equivalents. As of December 31, 2018, there were no cash equivalents.

GMP Securities, LLC

Notes to the Statement of Financial Condition (continued)

December 31, 2018

Restricted cash consists primarily of cash pledged as security in return for an irrevocable standby letter of credit related to certain lease commitments, (see notes 9 and 14). In 2016 FASB issued ASU 2016-18 Restricted Cash. The amendments within this ASU will required the reconciliation of the beginning-of period and end-of-period cash and cash equivalent amounts shown on the statement of cash flows which include restricted cash and restricted cash equivalents and they are separately to the statement of financial condition. The Company adopted this guidance on January 1, 2018. There was no material impact.

Monetary assets and liabilities denominated in foreign currencies are translated into U.S. dollars at the applicable year-end exchange rate. Foreign currency transaction revenues, expenses, gains and losses are measured at the rates of exchange prevailing on the dates of the transactions. Foreign currency remeasurement gains and losses on security transactions are reflected in clearance and brokerage fees and all other remeasurement gains or losses are reflected in Member's equity

Office furniture, equipment, capitalized software, and leasehold improvements are carried at cost less accumulated depreciation and amortization. All fixed assets, except for leasehold improvements, are depreciated on a straight-line basis over their estimated useful lives ranging from three to five years. Leasehold improvements are amortized over the shorter of their useful life or the term of the lease.

The Company has a defined contribution retirement plan (the "Plan") under Section 401(k) of the Internal Revenue Code, which covers all eligible employees. Eligible employees may contribute amounts to the Plan, via payroll withholding, subject to Internal Revenue Service retirement plan contribution limitations.

The Company is a single member limited liability company and, for income tax purposes, is disregarded as an entity separate from its sole member, GMP MTR Acquisition Inc., pursuant to U.S Income Tax Regulations Sec. 301.7701-3(b)(1)(ii). As such, the results of the Company's operations are included in those of GMP MTR Acquisition Inc.'s Federal and applicable state and local income tax returns. GMP MTR Acquisition Inc. does not allocate a portion of the consolidated income taxes to the Company as if the Company were a separate income "taxpayer" Therefore, no provision for federal income taxes is provided in the Company's statement of financial condition.

In accordance with ASC 820, *Fair Value Measurements and Disclosures*, the Company discloses the fair value of its securities positions in a 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 that are significant to the valuation (Level 3 measurements).

GMP Securities, LLC

Notes to the Statement of Financial Condition (continued)

December 31, 2018

Market price observability is impacted by a number of factors, including the type of investment and the characteristics specific to the investment. Investments with readily available active quoted prices or for which fair value can be measured from actively quoted prices generally will have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value.

The Company's securities positions measured and reported at fair value are classified and disclosed in one of the following categories:

Level 1 – Pricing inputs that reflect unadjusted quoted market prices that are available in active markets for identical assets or liabilities as of the reporting date.

Level 2 – Pricing inputs other than quoted market prices in active markets, or which are either directly or indirectly observable for the asset or liability as of the reporting date.

Level 3 – Pricing inputs that are unobservable for the asset or liabilities and include situations where there is little, if any, market activity or liquidity at the reporting date. The inputs into the determination of fair value require significant management judgment or estimation.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, a financial instrument's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. Our assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the financial instruments. See Note 5 for additional information related to the Company's fair value measurements with respect to the Company's securities owned and securities sold, not yet purchased, at fair value.

Changes in valuation techniques may result in transfers in or out of an investment's assigned level as described above.

3. Due From Brokers and Dealers

Due from brokers and dealers primarily includes deposit balance, realized profits, cash deposits, proceeds from securities sold short, net receivables and payables arising from unsettled transactions, commissions and claims with the Clearing Broker.

Proceeds related to securities sold, not yet purchased, are restricted until the securities are purchased. Margin debt is generally collateralized by certain positions of the Company's securities owned and cash held at the Clearing Broker, although at December 31, 2018, the Company had no

GMP Securities, LLC

Notes to the Statement of Financial Condition (continued)

December 31, 2018

margin debt. It is the Company's policy to monitor the credit standing of the Clearing Broker with whom it conducts its business.

4. Net Capital Requirements

GMP is subject to the SEC's Uniform Net Capital Rule ("Rule 15c3-1"). This rule requires the maintenance of minimum net capital and that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1. At December 31, 2018, GMP had net capital of \$6,060,448, which was \$5,800,877 in excess of the amount required. The Company's net capital ratio was 0.6425 to 1.

Proprietary accounts held at the Clearing Broker ("PAB Assets") are considered allowable assets in the computation of Net Capital pursuant to the PAB reserve computation set forth in SEC Rule 15c3-3, which requires, among other things, that the Clearing Broker performs a computation for PAB Assets set forth in SEC Rule 15c3-3.

Certain advances, distributions and other equity withdrawals; if they occur, are subject to notification and restriction provisions of Rule 15c3-1.

5. Securities Owned and Securities Sold, Not Yet Purchased, at Fair Value

The Company's policy is to assess the fair value hierarchy of each security position and to recognize transfers between levels at the end of each reporting period. During the year ended December 31, 2018, the Company did not have any significant transfers of securities owned, at fair value and securities sold, not yet purchased, at fair value between Levels 1 and 2 of the valuation hierarchy.

The following table summarizes the fair value of the Company's securities owned and securities sold, not yet purchased, at fair value within the fair value hierarchy at December 31, 2018:

GMP Securities, LLC

Notes to the Statement of Financial Condition (continued)

December 31, 2018

	Level 1	Level 2	Level 3	Total
Securities owned, at Fair Value				
Corporate Bonds	\$ —	\$ 561,567	\$ —	\$ 561,567
Foreign Corporate and Government Bonds	—	1,150,382	—	1,150,381
Equity and Preferred Securities	1,879,658	12,102	—	1,891,760
Derivatives	—	69,962	—	69,962
	<u>\$ 1,879,658</u>	<u>\$ 1,794,013</u>	<u>\$ —</u>	<u>\$ 3,673,670</u>
Securities sold, not yet purchased, at Fair Value				
Corporate Bonds	\$ —	\$ 136,400	\$ —	\$ 136,400
Foreign Corporate and Government Bonds	—	533,869	—	533,869
Equity Securities	232,248	—	—	232,248
	<u>\$ 232,248</u>	<u>\$ 670,269</u>	<u>\$ —</u>	<u>\$ 902,517</u>

The fair value of the corporate bonds, and foreign corporate and Government bonds, are based on their last transaction price or quoted prices of similar financial instruments. The Company classified these instruments as Level 2 within the fair value hierarchy.

The fair value of equity and preferred securities and derivatives are based on unadjusted quoted prices from markets in which the securities or derivative contracts are traded by the Company. To the extent these equity securities and preferred securities are not actively traded, the Company classified these instruments as Level 2 of the fair value hierarchy.

6. Fixed Assets

At December 31, 2018, fixed assets comprise of the following:

	Leasehold Improvements	Furniture and Fixtures	Equipment	Capitalized Software	Total
Cost					
Balance at January 1, 2018	\$ 1,110,691	\$ 867,439	\$ 826,400	\$ 402,289	\$ 3,206,819
Additions	—	—	3,769	—	3,769
Cost at December 31, 2018	<u>\$ 1,110,691</u>	<u>\$ 867,439</u>	<u>\$ 830,169</u>	<u>\$ 402,289</u>	<u>\$ 3,210,588</u>

GMP Securities, LLC

Notes to the Statement of Financial Condition (continued)

December 31, 2018

	Leasehold Improvements	Furniture and Fixtures	Equipment	Capitalized Software	Total
Accumulated Depreciation, impairment and amortization					
Balance at January 1, 2018	\$ 429,078	\$ 548,323	\$ 805,474	\$ 383,623	\$ 2,166,498
8Depreciation, and amortization expenses	103,936	162,926	14,715	16,058	297,635
Balance at December 31, 2018	\$ 533,014	\$ 711,249	\$ 820,189	\$ 399,681	\$ 2,464,133
Net Book Value	\$ 577,677	\$ 156,190	\$ 9,980	\$ 2,608	\$ 746,455

7. Financial Instruments with Off-Balance Sheet Risk and Concentration of Credit Risk

From time to time, GMP may trade various financial instruments and enter into various investment activities with off-balance-sheet risk, including securities sold, not yet purchased.

Securities sold, not yet purchased are recorded as liabilities in the statement of financial condition and have market risk to the extent that GMP, in satisfying its obligation, may have to purchase securities at a higher value than that recorded in the statement of financial condition.

The Company maintains cash balances with several financial institutions. Certain account balances may not be covered by the FDIC, while other accounts, at times, may exceed federally insured limits. The Company does not anticipate any losses or risks with respect to the concentration of cash balances maintained with such financial institutions. At December 31, 2018, all of the Company's due from brokers and dealers and securities owned are held at the Company's Clearing Broker, Pershing LLC and therefore are subject to the credit risk of the Clearing Broker.

ASC 460, *Guarantees*, requires the disclosure of information about obligations under certain guarantee arrangements. In this regard, GMP has agreed to indemnify the Clearing Brokers for losses that it may sustain from the customer accounts introduced by the Company. Pursuant to the clearing agreement, the Company is required to reimburse the Clearing Broker without limit for any losses incurred due to any counterparty's failure to satisfy its contractual obligations. However, the transactions are collateralized by the underlying security, thereby reducing the associated risk to changes in the market value of the security through to the settlement date. In accordance with industry practice and regulatory requirements, the Company and the Clearing Broker monitor collateral on the securities transactions introduced by the Company. At December 31, 2018 and during the year then ended, there were no amounts required to be indemnified to the Clearing Broker for customer accounts.

GMP Securities, LLC

Notes to the Statement of Financial Condition (continued)

December 31, 2018

8. Contingencies

From time to time in the normal course of business, the Company may be a party to various litigation matters and regulatory inquiries. While the ultimate legal and financial liability of the Company, if any, with respect to such matters cannot be estimated with certainty, the Company believes, based on its examination of such matters, that such ultimate liability would not have a material adverse effect on the financial condition, results of operations or cash flows of the Company. At December 31, 2018, no litigation was pending against the Company.

9. Commitments

The Company is committed to pay rent for office space under a number of non-cancelable operating leases agreements with minimum annual rental payments. Some of the lease agreements are subject to escalation clauses. Under certain circumstances these agreements allow for the Company to sublease the space. Rent expense is accounted for on a straight-line basis over the term of the lease agreements. Three to five months of rent abatements were granted in all lease agreements. All lease agreements contain a renewal option to extend the lease arrangements at prevailing market rates.

The Company entered into a lease for an office space in New York in 2014. Lease payments under this lease are guaranteed by the Company's ultimate parent, GMP Capital Inc. In addition, an amount of \$678,860 on deposit with Bank of America was pledged as security in return for an irrevocable standby letter of credit issued by Bank of America, not exceeding this amount, with the New York City Landlord the named beneficiary (See Note 14). The lease agreement of Houston provided the Company with an improvement allowance in connection with the installation of the leasehold improvements. The improvement allowance was accounted for as a lease incentive obligation and is amortized as a reduction of the rental expenses over the life of the lease commitment.

In 2016, the Company ended the use and occupancy of the office spaces in Houston and Connecticut. The operating lease for the Houston premises was sublet as in 2016 for the remainder of the lease agreement, ending May 31, 2019. As of December 31, 2018, the Company had a remaining onerous lease accrual related to its Houston premises in the amount of \$390,273 and is included on accrued expenses and other liabilities on the statement of financial condition.

Expected minimum annual rental payments under all current operating lease agreements are as follows:

GMP Securities, LLC

Notes to the Statement of Financial Condition (continued)

December 31, 2018

<u>Year</u>	<u>Sublease receipts</u>	<u>Rent Payments</u>	<u>Net Rent Payments</u>
2019	\$ 39,095	\$ 1,758,631	\$ 1,711,716
2020		1,575,386	1,575,386
2021		1,581,426	1,581,426
2022		1,541,381	1,541,381
2023		1,511,453	1,511,453
Thereafter		1,889,316	1,889,316
	<u>\$ 39,095</u>	<u>\$ 9,857,593</u>	<u>\$ 9,810,678</u>

10. Related Party Transactions

The Company participates in a revenue sharing agreement with certain affiliates. Pursuant to the terms of the agreement, the Company receives from or owes to its affiliates certain revenues generated from its participation as a distribution channel to its customers of certain newly issued securities that were underwritten by its affiliates; or for other advisory services performed for or by affiliates. The Company and certain affiliates, on occasion, settle invoices on behalf of other affiliates and recover these disbursements, at cost, through periodic billings. As of December 31, 2018, the receivables from the affiliates, including Investment Banking fees due amounted to \$95,376 and are included in due from affiliates on the statement of financial condition. At December 31, 2018, the Company had a payable balance of \$83,525 related to these arrangements and are included in due to affiliates on the statement of financial condition. These amounts are billed periodically and settled thereafter.

The Company advanced money via executed loan agreements to key employees which are repaid via offsets from the employees' commissions and bonus earned and through additional voluntary payments. The balance of this receivable, which is expected to be fully recoverable, is \$9,931 and is included in other assets in the statement of financial condition.

For the year ended December 31, 2018, the Company had a balance due of \$959,137 related to interest on subordinated notes. The interest expense was incurred and recognized in 2016 preceding the conversion of the subordinated notes payable to Member's equity. This amount is due to its sole member, GMP MTR Acquisition Inc. and is included in due to affiliates in the statement of financial condition. There is no set repayment date.

11. Member's Equity

No additional capital was received in 2018. No distributions were made in 2018.

GMP Securities, LLC

Notes to the Statement of Financial Condition (continued)

December 31, 2018

12. Share Purchase Forgivable Loans

As an incentive to attract and retain employees, the Company awarded employees forgivable loans which were used to purchase common shares of the Parent. The common shares acquired pursuant to this arrangement are pledged by the employee to the Company as collateral against the loans. The loan principal is forgiven on a specified anniversary of the grant, (generally the fourth anniversary). If the recipient of the forgivable loan voluntarily ceases to be an employee of GMP prior to the specified grant date or revenue target, the loans, including accrued interest, are required to be paid in full by the employee. These loans bear interest at prime rate. In 2018, the Company made no additional advances of loans to employees to finance the purchase of common shares of the Parent. At December 31, 2018, all these loans had fully vested. As a result, the Company paid taxes due on behalf of its effected employees. The value of the Parent's common shares pledged by the employees to the Company to pay these taxes and accrued interest on the loans were insufficient. These cash shortages were financed by the Company as described in Note 10. There were no outstanding forgivable loans for the year ended December 31, 2018.

13. Assets Pledged as Security for Letters of Credit / Lines of Credit

Under the terms of the Company's New York lease agreement, an amount of \$678,860 on deposit with Bank of America was pledged as security in return for an irrevocable standby letter of credit issued by Bank of America, with the New York City Landlord the named beneficiary. This Letter of Credit expires on April 15, 2019 and is expected to be renewed, in terms of the lease agreement, for \$676,770 with the same security arrangement. A letter of credit is required to be in place for the duration of the lease which expires in 2025. An amount of \$80,966 on deposit with Bank of America was pledged as security for corporate credit card lines provided by the Bank of America. This credit card arrangement may be terminated at any time.

These amounts are shown as restricted cash on the statement of financial condition.

14. Subsequent Events

The Company has evaluated subsequent events through March 7, 2019, the issuance date of this statement of financial condition.

The Firm's sole shareholder, GMP MTR Acquisition Inc, was acquired by INTL FCStone Inc on January 15, 2019. The name of the Firm was changed to INTL FCStone Credit Trading LLC on January 25, 2019. The intention of the new owner is to merge the Firm into INTL FCStone Financial, Inc. during the course of 2019.

GMP Securities, LLC

Notes to the Statement of Financial Condition (continued)

December 31, 2018

The interest owing of \$959,137 was forgiven by the subordinated debt lender and was converted into equity capital on January 31, 2019