

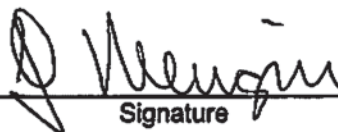
**GREAT POINT CAPITAL, LLC**  
**STATEMENT OF FINANCIAL CONDITION**  
**AND SUPPLEMENTAL SCHEDULES**  
**PURSUANT TO SEC RULE 17a-5(d)**

**December 31, 2022**  
**AVAILABLE FOR PUBLIC INSPECTION**

## OATH OR AFFIRMATION

I, Gabriel Mengin, swear (or affirm), to the best of my knowledge and belief, the accompanying financial statement and supporting schedules pertaining to the firm of Great Point Capital, L.L.C. as of December 31, 2020 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  
\_\_\_\_\_

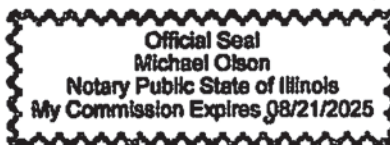
  
\_\_\_\_\_  
Signature

\_\_\_\_\_  
President  
\_\_\_\_\_  
Title

Subscribed and sworn to before me this

26<sup>th</sup> day of Feb, 2021

  
\_\_\_\_\_  
Notary Public



This report\*\* contains (check all applicable boxes)

- (a) Facing Page.
- (b) Statement of Financial Condition.
- (c) Statement of Income (Loss).
- (d) Statement of Cash Flows.
- (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietor's Capital.
- (f) Statement of Changes in Liabilities Subordinated to Claims of General Creditors.
- (g) Computation of Net Capital for Brokers and Dealers pursuant to Rule 15c3-1.
- (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- (i) Information Relating to the Possession or Control Requirements for Brokers and Dealers Under Rule 15c3-3.
- (j) A Reconciliation, including appropriate explanation, of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- (l) An Oath or Affirmation.
- (m) A copy of the SIPC Supplemental Report.
- (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.
- (o) A copy of the Exemption Report.
- (p) Schedule of Segregation Requirements and Funds in Segregation – Customers' Regulated Commodity Futures Accounts Pursuant to CFTC Rule 1.11(d)2(iv).

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

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

OMB APPROVAL  
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ANNUAL REPORT  
FORM X-17A-5  
PART III

SEC FILE NUMBER  
8-53402

FACING PAGE

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

REPORT FOR THE PERIOD BEGINNING 01/01/22 AND ENDING 12/31/22  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF FIRM:

**GREAT POINT CAPITAL, LLC**

TYPE OF REGISTRANT (check all applicable boxes):

**Broker-dealer**       **Security-based swap dealer.**     **Major security-based swap participant**

Check here if respondent is also an OTC derivatives dealer

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

**200 West Jackson Blvd., Suite 1000**

(No. and Street)

**Chicago**

(City)

**Illinois**

(State)

**60606**

(Zip Code)

PERSON TO CONTACT WITH REGARD TO THIS FILING

**Gabriel Mengin**

**(312) 356-4405**

(Area Code – Telephone No)

**B. ACCOUNTANT IDENTIFICATION**

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

**Ryan & Juraska, LLP, Certified Public Accountants**

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

**141 West Jackson Boulevard, Suite 2250**

(Address)

**Chicago**

(City)

**Illinois**

(State)

**60604**

(Zip Code)

3/24/2009

(Date of Registration with PCAOB)(if applicable)

3407

(PCAOB Registration Number, if applicable)

**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 17CFR 240.17a-5(e)(1)(ii), if applicable.

Persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.



**RYAN & JURASKA LLP**

Certified Public Accountants

141 West Jackson Boulevard  
Chicago, Illinois 60604

Tel: 312.922.0062

Fax: 312.922.0672

## **REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Members of  
Great Point Capital, LLC

### **Opinion on the Financial Statement**

We have audited the accompanying statement of financial condition of Great Point Capital, LLC (the "Company") as of December 31, 2022, and the related notes and supplemental schedules (collectively referred to as the financial statement). In our opinion, the financial statement presents fairly, in all material respects, the financial position of Great Point Capital, LLC as of December 31, 2022 in conformity with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

This financial statement is the responsibility of Great Point Capital, LLC 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 Great Point Capital, LLC 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 have served as Great Point Capital, LLC's auditor since 2003.

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 statement 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 statement, 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 presentation of the financial statement. We believe that our audit provides a reasonable basis for our opinion.

### **Auditor's Report on Supplemental Information**

The Supplemental Schedules (the "supplemental information") have been subjected to audit procedures performed in conjunction with the audit of Great Point Capital, LLC's financial statement. The supplemental information is the responsibility of Great Point Capital, LLC's management. Our audit procedures included determining whether the supplemental information reconciles to the financial statement 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 Supplemental Schedules are fairly stated, in all material respects, in relation to the financial statement as a whole.

*Ryan & Juraska LLP*

Chicago, Illinois  
February 28, 2023

**GREAT POINT CAPITAL, LLC**  
**Statement of Financial Condition**  
**December 31, 2022**

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**Assets**

Cash	\$	1,561,207
Receivable from broker-dealers		6,188,919
Securities owned, at fair value		85,918,680
Other assets		<u>1,565,926</u>
	\$	<u><u>95,234,732</u></u>

**Liabilities and Members' Equity**

Liabilities		
Securities sold, not yet purchased, at fair value	\$	5,868,197
Accounts payable and accrued expenses		<u>1,762,606</u>
		7,630,803
Members' equity		<u>87,603,929</u>
	\$	<u><u>95,234,732</u></u>

See accompanying notes.

# GREAT POINT CAPITAL, LLC

## Notes to Financial Statement

December 31, 2022

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### 1. Organization and Business

Great Point Capital, LLC (the "Company"), a Delaware limited liability company, was originally formed on October 11, 2000. The Company is a registered broker-dealer with the Securities and Exchange Commission and is a member of the Financial Industry Regulatory Authority. The Company engages in the proprietary trading of exchange traded equity securities and equity and index options, as well as retail brokerage and alternative investments.

The Company provides for two classes of membership with varying rights and interests. Class A members have all the voting rights and the Class B members have no voting rights on any matter presented to the members for their vote or approval except as provided in the limited liability company operating agreement. A Class B member's allocated portion of the Company's net profit or loss is limited to the provisions of their trading agreement.

At December 31, 2022, Class A Members and Class B Members have an ending capital totaling \$2,980,024 and \$84,623,905, respectively.

### 2. Summary of Significant Accounting Policies

#### Securities Valuation and Revenue Recognition

Securities transactions and related revenue and expenses are recorded on a trade date basis and, accordingly gains and losses are recorded on unsettled transactions. Securities owned and securities sold, not yet purchased are recorded in the statement of financial condition at fair value in accordance with Accounting Standards Codification (ASC) 820 "Fair Value Measurements and Disclosures". The carrying values of cash, receivables and payables approximate fair value due to the short maturities of these financial instruments.

The Company recognizes revenue in accordance with Financial Accounting Standards Board Accounting Standards Codification ("FASB ASC") Topic 606, Revenue from Contracts with Customers. The guidance was amended to require business entities to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in the exchange for those goods or services. The Company buys and sells securities on behalf of its customers. Each time a customer enters into a buy or sell transaction, the Company charges a commission. Commissions and related clearing expenses are recorded on the trade date (the date that the Company fills the trade order by finding and contracting with a counterparty and confirms the trade with the customer). 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 the risks and rewards of ownership of the securities have been transferred to/from the customer.

The Company facilitates the application process for the customer to make an investment with a counterparty. Each time a customer enters this process, the Company earns commissions from the counterparty. These commissions may be earned up front, over time, or a combination of both as determined by the structure agreed upon between the Company and the customer. The Company believes that its performance obligation is satisfied on the original trade date; the date the Company facilitates the transaction by finding a suitable financial instrument, commission structure is agreed upon, and the risks and rewards of ownership have been transferred to the customer.

## GREAT POINT CAPITAL, LLC

### Notes to Financial Statement, Continued

December 31, 2022

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## 2. Summary of Significant Accounting Policies, continued

### Use of Estimates

The preparation of financial statement in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statement and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

### Income Taxes

No provision has been made for federal income taxes as the taxable income or loss of the Company is included in the respective income tax returns of the members.

In accordance with United States Generally Accepted Accounting Principles (“U.S. GAAP”), the Company is required to determine whether its tax positions are more likely than not to be sustained upon examination by the applicable taxing authority, based on the technical merits of the position. Generally, the Company is no longer subject to income tax examinations by major taxing authorities for the years before 2019. Based on its analysis, there were no tax positions identified by management which did not meet the “more likely than not” standard as of and for the year ended December 31, 2022.

## 3. Agreements and Related Party Transactions

The Company has a Joint Back Office (“JBO”) clearing agreement with Wedbush Securities Inc. (“Wedbush”). The agreement allows JBO participants to receive favorable margin treatment as compared to the full customer margin requirements of Regulation T. As part of this agreement, the Company has invested \$10,000 in the preferred stock interest of Wedbush. The Company’s investment in Wedbush is reflected in other assets in the statement of financial condition. Under the rules of the Financial Industry Regulatory Authority, the agreement requires that the Company maintain a minimum net liquidating equity of \$1 million with Wedbush, exclusive of its preferred interest.

The Company entered into an expense sharing agreement with a member, Great Point Trading LLC in October 2000. Per the agreement, the Company is allocated a portion of the administrative and other operating expenses paid by the member. At December 31, 2022, the Company owed \$25,734 in accordance with the expense sharing agreement, which is reflected in accounts payable and accrued expenses.

# GREAT POINT CAPITAL, LLC

## Notes to Financial Statement, Continued

December 31, 2022

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### 4. Financial Instruments

ASC 815 "Derivatives and Hedging" requires qualitative disclosures about objectives and strategies for using derivatives, quantitative disclosures about fair value amounts of and gains and losses on derivative instruments, and disclosures about credit risk-related contingent features in derivative agreements. The disclosure requirements of ASC 815 distinguish between derivatives which are accounted for as "hedges" and those that do not qualify for such accounting. Although the Company may sometimes use derivatives, the Company reflects derivatives at fair value and recognizes changes in fair value through the Statement of Operations, and as such do not qualify for ASC 815 hedge accounting treatment.

Options contracts grant the purchaser, for the payment of a premium, the right to either purchase from or sell to the writer a specified financial instrument under agreed terms. As a writer of options contracts, the Company receives a premium in exchange for bearing the risk of unfavorable changes in the price of the financial instruments underlying the options.

Securities sold, not yet purchased and short options represent obligations of the Company to deliver the specified security and, thereby, create a liability to repurchase the security in the market at prevailing prices. Accordingly, these transactions result in risk as the Company's satisfaction of the obligations may exceed the amount recognized in the statement of financial condition.

Risk arises from the potential inability of counterparties to perform under the terms of the contracts (credit risk) and from changes in the values of the underlying financial instruments (market risk). The Company is subject to credit risk to the extent any broker with whom it conducts business is unable to fulfill contractual obligations on its behalf. The Company attempts to minimize its exposure to credit risk by monitoring brokers with which it conducts investment activities. In management's opinion, market risk is substantially diminished when all financial instruments are aggregated.

In June 2016, the FASB issued ASU No. 2016-13, Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments (ASU 2016-13). The new guidance broadens the information that an entity must consider in developing its estimated credit losses expected to occur over the remaining life of assets measured either collectively or individually to include historical experience, current conditions and reasonable and supportable forecasts. ASU 2016-13 replaces the existing incurred credit loss model with the current expected credit losses model. The amendment was effective for fiscal years beginning after December 15, 2019. The adoption of this standard did not have a material impact on the Company's financial statement.



## GREAT POINT CAPITAL, LLC

### Notes to Financial Statement, Continued

December 31, 2022

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#### 5. Fair Value Measurements and Disclosures

ASC 820 defines fair value, establishes a framework for measuring fair value, and establishes a fair value hierarchy which prioritizes the inputs to valuation techniques. Fair value is the price 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. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market. Valuation techniques that are consistent with the market, income or cost approach, as specified by ASC 820, are used to measure fair value.

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities the Company has the ability to access.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 are unobservable inputs for the asset or liability and rely on management's own assumptions that 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.

The availability of observable inputs can vary from security to security and is affected by a wide variety of factors, including, for example, the type of security, the liquidity of markets, and other characteristics particular to the security. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in level 3.

The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement falls in its entirety is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

A description of the valuation techniques applied to the company's major categories of assets and liabilities measured at fair value on a recurring basis follows.

- *Exchange-Traded Equity Securities.* Exchange-traded equity securities are generally valued based on quoted prices from the exchange. To the extent these securities are actively traded, valuation adjustments are not applied, and they are categorized in level 1 of the fair value hierarchy; otherwise, they are categorized in Level 2 or Level 3 of the fair value hierarchy. Preferred securities traded on inactive markets or valued by dealer quotations or an alternative pricing source or model supported by observable inputs are classified within Level 2.

# GREAT POINT CAPITAL, LLC

## Notes to Financial Statement, Continued

December 31, 2022

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### 5. Fair Value Measurements and Disclosures, continued

- **Listed Derivative Contracts.** Listed derivatives that are actively traded are valued based on quoted prices from the exchange and are categorized in level 1 of the fair value hierarchy. Listed derivatives that are not actively traded are valued using the same approaches as those applied to OTC derivatives; they are generally categorized in level 2 of the fair value hierarchy.
- **Corporate Bonds.** The fair value of corporate bonds is determined using recently executed transactions, market price quotations (when observable), bond spreads of credit default swap spreads obtained from independent external parties, such as vendors and brokers, adjusted for any basis difference between cash and derivative instruments. The spread data used are for the same maturity as the bond. If the spread data do not reference the issuer, then data that reference a comparable issuer are used. When position-specific external price data are not observable, fair value is determined based on either benchmarking to similar instruments or cash flow models with yield curves, bond, or single-name credit default swap spreads and recovery rates as significant inputs. Corporate bonds are generally categorized in level 2 of the fair value hierarchy; in instances when prices, spreads, or any of the aforementioned key inputs are unobservable, they are categorized in level 3 of the fair value hierarchy.

The following table presents the Company's fair value hierarchy for those assets and liabilities measured at fair value on a recurring basis as of December 31, 2022:

	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
<b>Assets (Securities owned)</b>			
Equities	\$ 75,146,242	\$ -	\$ 75,146,242
Options	217,371	-	217,371
Preferred Equities	5,766,532	-	5,766,532
Exchange traded Funds	4,281,242	-	4,281,242
Warrants	504,503	-	504,503
Corporate bond	-	2,790	2,790
Total	<u>\$ 85,915,890</u>	<u>\$ 2,790</u>	<u>\$ 85,918,680</u>
<b>Liabilities (Securities sold, not yet purchased)</b>			
Equities	\$ 4,172,854	\$ -	\$ 4,172,854
Options	41,717	-	41,717
Exchange traded Funds	1,405,031	-	1,405,031
Preferred Equities	248,595	-	248,595
Total	<u>\$ 5,868,197</u>	<u>\$ -</u>	<u>\$ 5,868,197</u>

At December 31, 2022, the Company held no Level 3 investments

## **GREAT POINT CAPITAL, LLC**

### **Notes to Financial Statement, Continued**

**December 31, 2022**

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#### **6. Guarantees**

Accounting Standards Codification Topic 460 ("ASC 460"), Guarantees, requires the Company to disclose information about its obligations under certain guarantee arrangements. ASC 460 defines guarantees as contracts and indemnification agreements that contingently require a guarantor to make payments to the guaranteed party based on changes in an underlying (such as an interest or foreign exchange rate, security or commodity price, an index or the occurrence or nonoccurrence of a specified event) related to an asset, liability or equity security of a guaranteed party. This guidance also defines guarantees as contracts that contingently require the guarantor to make payments to the guaranteed party based on another entity's failure to perform under an agreement, as well as indirect guarantees of the indebtedness of others.

Certain derivatives contracts that the Company has entered into meet the accounting definition of a guarantee under ASC 460. Derivatives that meet the ASC 460 definition of guarantees include written options. The maximum potential payout for these derivatives contracts cannot be estimated as increases in interest rates, foreign exchange rates, securities prices, commodities prices and indices in the future could possibly be unlimited.

The Company records all derivative contracts at fair value. For this reason, the Company does not monitor its risk exposure to derivatives contracts based on derivative notional amounts; rather the Company manages its risk exposure on a fair value basis. The Company believes that the notional amounts of the derivative contracts generally overstate its exposure. Aggregate market risk limits have been established, and market risk measures are routinely monitored against these limits. The Company believes that market risk is substantially diminished when all financial instruments are aggregated

#### **7. Litigation and Settlement**

In the normal course of business, the Company is subject to legal actions that involve claims for monetary relief.

During 2018, a FINRA Arbitration Claim was filed against the Company by a Class B Member alleging breach of contract, fraudulent acts, breach of fiduciary duty, conversion, and money had and received. The matter was settled between parties in March 2022, with a payment of \$115,000 in return for a release of all charges.

On December 30, 2020, a FINRA Arbitration Claim was filed against the Company alleging breach of fiduciary duty, fraud, and breach of contract, negligence, restitution and misrepresentation arising from recommendation of certain alternative investment purchase. The matter was settled in June 2022 with a payment of \$110,000 in return for a general release and repurchase of securities.

On March 11, 2021, a FINRA Arbitration was filed against the Company. The Claim alleged in various counts that one of the Company's registered representatives recommended and sold the claimants various investments which were not suitable for them, and for which inadequate due diligence was conducted. The matter was settled in May 2022 with a payment of \$400,000 in exchange for a release of claims and repurchase of securities.

## GREAT POINT CAPITAL, LLC

### Notes to Financial Statement, Continued

December 31, 2022

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#### 7. Litigation and Settlement

On March 28, 2022, The Company became aware of a FINRA Arbitration was filed against the Company. The Claim alleged in various counts that one of the Company's registered representatives recommended and sold the claimants various investments which were not suitable for them, and for which inadequate due diligence was conducted. The matter was settled in May 2022 with a payment of \$206,300 in exchange for a release of claims and repurchase of securities.

On June 1, 2022, a FINRA Arbitration was filed against the Company. The Claim alleged in various counts that one of the Company's registered representatives recommended and sold the claimants various investments which were not suitable for them, and for which inadequate due diligence was conducted. The matter was settled in August 2022 with a payment of \$175,000 in exchange for a release of claims and repurchase of securities.

On July 21, 2022, a FINRA Arbitration was filed against the Company. The Claim alleged in various counts that one of the Company's registered representatives recommended and sold the claimants various investments which were not suitable for them, and for which inadequate due diligence was conducted. The matter was settled in August 2022 with a payment of \$225,000 in exchange for a release of claims and repurchase of securities.

On June 20, 2022, a FINRA Arbitration Claim was filed against the Company alleging in various counts that three of the Company's registered representatives recommended and sold the claimants various investments which were not suitable for them, and for which inadequate due diligence was conducted. The Company has filed an answer denying all claims. The case is set for a Hearing before FINRA arbitrators between July 24 and August 11, 2023. No assessment of liability or loss can be made at this time.

On June 24, 2022, the Company received a letter from FINRA indicating the Company is under review for their proprietary trading activity regarding GameStop Corp("GME"). FINRA requested documents and information related primarily to short positions and pre-borrowed shares, and aggregation units. The Company submitted its response detailing its compliance with Regulation SHO and explaining the rationale for the aggregation units in question. To date, the Company has received nothing further from FINRA regarding this matter. No assessment of liability or loss can be made at this time.

On November 14, 2022, a FINRA Arbitration Claim was filed against the Company alleging in various counts that one of the Company's registered representatives recommended and sold the claimant various investments which were not suitable for them, and for which inadequate due diligence was conducted. The Company has filed an Answer denying all claims. An arbitration panel will be selected in March 2023, and a hearing date has not yet been set. No assessment of liability or loss can be made at this time.

On December 22, 2022, a FINRA Arbitration Claim was filed against the Company alleging in various counts that one of the Company's registered representatives recommended and sold the claimant various investments which were not suitable for them, and for which inadequate due diligence was conducted. The Company is preparing an answer which will deny all claims. A hearing date has not yet been set for this matter. No assessment of liability or loss can be made at this time.

## **GREAT POINT CAPITAL, LLC**

### **Notes to Financial Statement, Continued**

**December 31, 2022**

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#### **8. Concentrations of Credit Risk**

At December 31, 2022, a significant credit concentration consisted of approximately \$84.7 million, representing the fair value of the Company's trading accounts carried by one of its clearing brokers, Wedbush. Management does not consider any credit risk associated with these receivables to be significant.

The Company maintains certain cash deposits with a financial institution. On occasion, these deposits may exceed the maximum insurance level provided by the Federal Deposit Insurance Corporation. The Company monitors such credit risks and has not experienced any losses related to such risks.

#### **9. Net Capital Requirements**

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (Rule 15(c)3-1). Under this rule, the Company is required to maintain "net capital" equal to the greater of \$100,000 or 6% of "aggregate indebtedness", as defined.

At December 31, 2022, the Company had net capital and net capital requirements of \$68,249,109 and \$117,507, respectively.

#### **10. Subsequent Events**

The Company's management has evaluated events and transactions through February 28, 2023, the date the financial statement was available to be issued, noting no material events requiring disclosure in the Company's financial statement other than listed below.

In January 2023, the Company recorded capital withdrawals to members totaling \$5,137,891.

On January 3, 2023, a FINRA Arbitration Claim was filed against the Company alleging in various counts that one of the Company's registered representatives recommended and sold the claimants various investments which were not suitable for them, and for which inadequate due diligence was conducted. The Company is preparing an answer which will deny all claims. A hearing date has not yet been set for this matter. No assessment of liability or loss can be made at this time.

On January 11, 2023, a FINRA Arbitration Claim was filed against the Company alleging in various counts that one of the Company's registered representatives recommended and sold the claimants various investments which were not suitable for them, and for which inadequate due diligence was conducted. The Company is preparing an answer which will deny all claims. A hearing date has not yet been set for this matter. No assessment of liability or loss can be made at this time.

## SUPPLEMENTAL SCHEDULES

## Computation of Net Capital for Broker and Dealers pursuant to Rule 15c3-1

December 31, 2022

**Computation of net capital**

Total members' equity		\$	87,603,929
Deductions and/or charges:			
Nonallowable assets:			
Other assets	\$	<u>1,565,926</u>	<u>(1,565,926)</u>
Net capital before haircuts on securities positions			86,038,003
Haircuts on securities:			
Trading and investment securities:			
Other securities	\$	17,788,894	<u>(17,788,894)</u>
Net capital			\$ <u><u>68,249,109</u></u>

**Computation of basic capital requirement**

Minimum net capital required (greater of \$100,000 or 6 2/3% of aggregate indebtedness)			<u>117,507</u>
Net capital in excess of net capital requirement	\$	<u><u>68,131,602</u></u>	

**Computation of aggregate indebtedness**

Aggregate indebtedness	\$	<u><u>1,762,606</u></u>
Ratio of aggregate indebtedness to net capital	%	<u><u>2.58</u></u>

There are no material differences between the above computation and the Company's corresponding amended unaudited Form FOCUS Part II filing as of December 31, 2022.

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

**December 31, 2022**

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The Company did not handle any customer cash or securities during the year ended December 31, 2022 and does not have any customer accounts.

**GREAT POINT CAPITAL, LLC**

**Information Relating to Possession or Control Requirements pursuant to Rule 15c3-3**

**December 31, 2022**

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The Company did not handle any customer cash or securities during the year ended December 31, 2022 and does not have any customer accounts.