

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

ANNUAL AUDITED REPORT
FORM X-17A-5
PART III

OMB APPROVAL	
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FACING PAGE

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 01/01/20 AND ENDING 12/31/20
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: **Axegine Securities LLC**

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

360 Madison Avenue, 20th Floor

OFFICIAL USE ONLY

FIRM I.D. NO.

(No. and Street)

New York

NY

10017

(City)

(State)

(Zip Code)

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

Markus Withaut 212-616-7710

(Area Code – Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Laporte, A Professional Accounting Corporation

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

5100 Village Walk, Suite 300

Covington

LA

70433

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:



Certified Public Accountant



Public Accountant



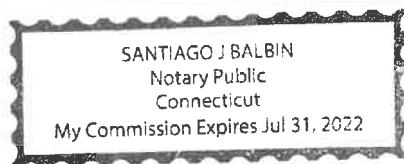
Accountant not resident in United States or any of its possessions.

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*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)

OATH OR AFFIRMATION

I, Markus Witthaut, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Axegine Securities LLC, 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:




Signature

CCO/FINOP

Title


Notary Public

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

- ☒ (a) Facing Page.
- ☒ (b) Statement of Financial Condition.
- ☐ (c) Statement of Income (Loss) or, if there is other comprehensive income in the period(s) presented, a Statement of Comprehensive Income (as defined in §210.1-02 of Regulation S-X).
- ☐ (d) Statement of Changes in Financial Condition.
- ☐ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- ☐ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☐ (g) Computation of Net Capital.
- ☐ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☐ (i) Information Relating to the Possession or Control Requirements 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.

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

AXEGINE SECURITIES LLC

Audit of Financial Statement

December 31, 2020

Contents

Report of Independent Registered Public Accounting Firm	1
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Financial Statements

Statement of Financial Condition	2
Notes to Financial Statement	3 - 5

Report of Independent Registered Public Accounting Firm

To the Member and Board of Managers
Axegine Securities LLC

Opinion on the Financial Statements

We have audited the accompanying statement of financial condition of Axegine Securities LLC (the Company) as of December 31, 2020, and the related notes (collectively, the financial statement). In our opinion, the financial statement presents fairly, in all material respects, the financial position of the Company as of December 31, 2020, in conformity with accounting principles generally accepted in the United States of America.

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 U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial 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.



A Professional Accounting Corporation

We have served as the Company's auditor since 2018.

Covington, LA
March 24, 2021

AXEGINE SECURITIES LLC
Statement of Financial Condition
For the Year Ended December 31, 2020

Assets

Cash and Cash Equivalents	\$ 320,935
Prepaid Expenses	<u>903</u>
Total Assets	<u>\$ 321,838</u>

Liabilities and Member's Equity

Liabilities

Accounts Payable	<u>52,930</u>
Total Liabilities	52,930

Member's Equity	<u>268,908</u>
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Total Liabilities and Member's Equity	<u>\$ 321,838</u>
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The accompanying notes are an integral part of these financial statement.

Note 1. Summary of Significant Accounting Policies

Business of the Company

Axegine Securities LLC (the Company), effective January 25, 2019, is a broker-dealer registered with the Securities and Exchange Commission (SEC) and the Financial Industry Regulatory Authority (FINRA). The Company was formed under the Limited Liability Company laws of the State of Delaware on February 21, 2017 and is a wholly owned subsidiary of Axegine Holdings LLC (Parent). The Company is a non-clearing broker and, as such, will enter an agreement with a third-party clearing organization to carry and clear its customers' margin, cash accounts, and transactions on a fully-disclosed basis.

Use of Estimates

The preparation of financial statements in conformity with U.S generally accepted accounting principles 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. Actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the Company considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

Risks and Uncertainties

The Company had amounts on deposit at banks as of December 31, 2020 of \$320,935, which exceed the \$250,000 federally insured limits by \$70,935. The Company monitors cash balances, and the quality of the institution that it utilizes, on an ongoing and continuous basis to manage its risk with respect to cash.

Adopted Accounting Standards

Fair Value Measurement

In August 2018, the FASB issued ASU 2018-13, Fair Value Measurement (Topic 820). The amendment modifies the disclosure requirements on fair value measurements based on the concepts in the Concepts Statement, including the consideration of costs and benefits. The amendments in this Update are effective for all entities for fiscal years beginning after December 15, 2019. The Company adopted the standard in 2020 and it did not have an effect on the financial statement.

Note 1. Summary of Significant Accounting Policies (Continued)

Future Application of Accounting Standards

Financial Instruments - Credit Losses

In June 2016, the FASB issued ASU 2016-13, Financial Instruments - Credit Losses, ("ASU 2016-13"). ASU 2016-13 changes the impairment model for most financial assets and certain other instruments, including trade and other receivables, held-to-maturity debt securities and loans, and requires entities to use a new forward-looking expected loss model that will result in the earlier recognition of allowance for losses. This update is effective for fiscal years beginning after December 15, 2019. Early adoption is permitted for a fiscal year beginning after December 15, 2018, including interim periods within that fiscal year. Entities will apply the standard's provisions as a cumulative-effect adjustment to retained earnings as of the beginning of the first reporting period in which the guidance is adopted. Under the Coronavirus Aid, Relief, and Economic Security (CARES) Act, the Company has temporarily delayed measuring credit losses on financial instruments under the new current expected credit losses (CECL) methodology effective January 2023. We have evaluated the impact of this standard on our financial statement, including accounting policies, processes and systems. Based on the nature of the Company's customer base and historical nature of losses, we do not expect the impact to be material upon adoption.

Note 2. Related Party Transactions

Services Agreement

The Company has a continuing service agreement with its Parent. The terms of the agreement grant the Company the benefit of certain employment related and overhead costs incurred by the Parent.

In return, the Company pays a servicing fee which is calculated based upon percentage of aggregate revenue that the Company generates and is allocated between the Parent's employment compensation and overhead cost areas.

At December 31, 2020, the Company was obligated to its Parent in the amount of approximately \$52,930 which is included in Accounts Payable.

Note 3. Net Capital Requirements

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (Rule 15c3-1), which requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1. At December 31, 2020, the Company reflected net capital of approximately \$268,005, which was in excess of its required net capital of \$100,000. The Company's ratio of Aggregate Indebtedness to Net Capital was .20 to 1.

Note 4. Subsequent Events

FASB ASC Topic 855, *Subsequent Events*, establishes general standards of accounting for and disclosure of events that occur after the balance sheet date but before financial statements are issued or are available to be issued. Specifically, it sets forth the period after the balance sheet date during which management of a reporting entity should evaluate events or transactions that may occur for potential recognition or disclosure in the financial statements, the circumstances under which an entity should recognize events or transactions occurring after the balance sheet date in its financial statement, and the disclosures that an entity should make about events or transactions that occurred after the balance sheet date.

In accordance with ASC 855, the Company evaluated subsequent events through March 24, 2021, the date these financial statements were available to be issued, and determined that no events occurred that requires disclosure.

No subsequent events occurring after this date have been evaluated for inclusion in this financial statement.

Note 5. Going Concern

The accompanying financial statement has been prepared assuming that the Company will continue as a going concern. Since inception, the Company has primarily been funded by capital contributions from its member, while it continues in the start-up phase.

As shown in the accompanying financial statement, for the year ended December 31, 2020, the Company shows \$52,930 due to parent for direct expenses.

As of March 16, 2021, management has secured a commitment from a member of the parent to fund the operating expenses through capital contributions for one year after this financial statement is issued while the Company executes an action plan to generate revenues. At the same time, management intends to reduce operating expenses beginning in 2021. These factors alleviate the doubt about the Company's ability to continue as a going concern.