

RELIANCE WORLDWIDE INVESTMENTS, LLC

**STATEMENT OF FINANCIAL CONDITION
AND REPORT OF INDEPENDENT REGISTERED
PUBLIC ACCOUNTING FIRM
PURSUANT TO RULE 17a-5 (e)(3)
DECEMBER 31, 2016**

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

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| OMB APPROVAL |
| OMB Number: 3235-0123 |
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| Estimated average burden hours per response.... 12.00 |

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

| |
|-----------------|
| SEC FILE NUMBER |
| 8- 67575 |

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 01/01/16 AND ENDING 12/31/16
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: **Reliance Worldwide Investments, LLC**

| |
|-------------------|
| OFFICIAL USE ONLY |
| FIRM I.D. NO. |

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

900 Tri-State Parkway, Suite 900

(No. and Street)

Gurnee

(City)

Illinois

(State)

60031

(Zip Code)

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

Kenneth E. Sweet

(847) 920-7060

(Area Code- Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Linda C. Rapacz CPA, P.C.

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

13844 South Maple Avenue

(Address)

Orland Park

(City)

Illinois

(State)

60462

(Zip Code)

CHECK ONE:

- ☒ Certified Public Accountant-PCAOB Registered
☐ 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)

OATH OR AFFIRMATION

I, Kenneth E. Sweet, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Reliance Worldwide Investments, as of December 31, 2016, 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:

Kenn Sweet
Signature

Managing Member
Title

Evan M Zeitz
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 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.
- ☐ (o) Independent Auditors Report on Internal Control Structure.

**For conditions of confidential treatment of certain portions or this filing, see section 240. 17a-5(e)(3).

LINDA C. RAPACZ CPA
A Professional Corporation
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ORLAND PARK, ILLINOIS 60462-1628
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American Institute of
Certified Public Accountants

Illinois CPA Society

Public Company
Accounting Oversight Board

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

**To the Board of Directors and Managing Member
of Reliance Worldwide Investments, LLC**

We have audited the accompanying statement of financial condition of Reliance Worldwide Investments, LLC as of December 31, 2016, and the related notes to the financial statements for the year then ended. This financial statement is the responsibility of Reliance Worldwide Investments, LLC's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing 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.

In our opinion, the financial statement referred to above present fairly, in all material respects, the financial position of Reliance Worldwide Investments, LLC as of December 31, 2016, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.



Linda C. Rapacz CPA, P.C.
Orland Park, Illinois
February 24, 2017

Reliance Worldwide Investments, LLC
Statement of Financial Condition
December 31, 2016

Assets

| | |
|---|----------------------------|
| Cash and cash equivalents | \$ 884,589 |
| Accounts receivable | \$ 24,000 |
| CRD Deposit | \$ 430 |
| Prepaid fidelity bond | \$ 754 |
| Furniture, equipment and leasehold improvements, at cost, less accumulated depreciation and amortization of \$42,936 | \$ 242,174 |
| Deposit - Leasehold improvements | \$ 4,783 |
| Deposit - Lease | <u>\$ 10,022</u> |
| Total Assets | <u><u>\$ 1,166,752</u></u> |

Liabilities & Member's Equity

Liabilities

| | |
|---------------------------------------|----------------------------|
| Accounts payable | \$ 13,209 |
| Commissions and related taxes payable | \$ 119,639 |
| State & local taxes payable | \$ 1,285 |
| Total Liabilities | <u>\$ 134,133</u> |
| Member's Equity | <u>\$ 1,032,619</u> |
| Total Liabilities and Member's Equity | <u><u>\$ 1,166,752</u></u> |

See notes to the financial statements

Reliance Worldwide Investments, LLC
Notes to Financial Statements
December 31, 2016

1. Organization and Nature of Business

Reliance Worldwide Investments, LLC (the "Company") is a correspondent broker-dealer and investment banking firm. The Company is registered with the Securities and Exchange Commission (SEC), the Municipal Securities Rulemaking Board (MSRB) and applicable states. It is a member of the Financial Industry Regulatory Authority (FINRA) and the Securities Investor Protection Corporation (SIPC). The Company is a Wyoming single member Limited Liability Company wholly owned by one individual.

2. Significant Accounting Policies

Basis of Presentation – The financial statements include the accounts of the Company. The Company has no subsidiaries and is engaged in business as a correspondent broker-dealer. On June 25, 2007, the SEC granted the Company's registration pursuant to Section 15(b) of the Securities Exchange Act of 1934 and FINRA granted the Company's application for membership. FINRA approved the Company to conduct the following types of business: broker or dealer retailing corporate equity securities over-the-counter, broker or dealer selling corporate debt securities, mutual fund retailer, U.S. government securities broker, municipal securities broker, put and call broker or dealer or option writer and private placement of securities. The Company's scope of approved services was expanded on March 22, 2010 with an amendment to its Form BD adding investment banking. The target market for these investment banking services is privately-held lower middle market businesses.

Use of Estimates – The preparation of financial statements in conformity with accounting principals generally accepted in the United States of America 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 statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Income Taxes – Profits and losses of the Company are passed through to the individual tax return of the managing member and no income tax allowances are included in these financial statements. As of December 31, 2016, the Company's tax returns for the years 2013 through 2015 are subject to review by its taxing jurisdictions.

The accounting standard FASB ASC 740, Income Taxes, on accounting for uncertainty in income taxes addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. This requires the evaluation of tax positions taken or expected to be taken in the course of preparing the Company's tax returns to determine whether the tax positions are "more likely than not" of being sustained when challenged or when examined by the applicable tax authority. The measurement of unrecognized tax benefits as well as unrecorded tax liability is adjusted when new information is available, or when an event occurs that requires a change. For the year ended December 31, 2016, the Company has determined that there were no material uncertain tax positions.

Reliance Worldwide Investments, LLC
Notes to Financial Statements
December 31, 2016

2. Significant Accounting Policies – (continued)

Revenue Recognition – Revenues are recognized consistent with GAAP accrual accounting standards, and in compliance with FASB ASC 606.

Commissions revenues include commissions, mutual fund distributions fees, contingent deferred sales charge revenue, and Private Placement revenues, which are all accrued as earned.

Investment Banking revenues and advisory fees from mergers, acquisitions and restructuring transactions are accrued when services for the transactions are determined to be completed, generally as set forth under the terms of the engagement. Transaction-related expenses are deferred and recognized in the same period as the related revenue to match revenue recognition. Non-transactional based Investment Banking revenues are accrued as earned, consistent with the respective terms of such agreements.

Other revenues include interest earned on the firm's own funds deposited in financial institutions, and administrative registration fees for firm representatives, which are accrued as earned.

Depreciation – Depreciation is recorded in the financial statements using the Internal Revenue Code prescribed lives and accelerated methods. The depreciation expense for the year ended December 31, 2016 was \$14,230.

| Asset Category | Cost | Method |
|--------------------------|-----------|--------------------------|
| Furniture and Fixtures | \$25,434 | 7 year SL |
| Leasehold Improvements | \$220,217 | 39 year SL/MM Convention |
| VOIP Telephone Equipment | \$1,838 | 5 year SL |
| Computer Hardware | \$37,621 | 5 year SL |
| Total | \$285,110 | |

Statement of Cash Flows – For purposes of the Statement of Cash Flows, the Company has defined cash equivalents as highly liquid investments, with original maturities of less than three months, that are not held or sale in the ordinary course of business.

3. Commitments

The Company has a commercial office space lease agreement with Global Investments, LLC, a related party, for Unit 900 at 900 Tri-State Pkwy, Gurnee, IL 60031. This lease agreement was effective January 1, 2013 and extended to December 31, 2015, with an option to renew for two additional years. On August 1, 2015, the Company provided notice to Global Investments, LLC that it was exercising its right under its existing lease to extend the term of that lease for the additional two-year period. The total rent paid during 2016 was \$64,447.

Reliance Worldwide Investments, LLC
Notes to Financial Statements
December 31, 2016

An Addendum to Exhibit A of the lease agreement was executed on February 1, 2017, extending the term through December 31, 2020; and included an option to renew for two additional years.

Future minimum monthly payments under this agreement annualize as follows:

| YEAR | AMOUNT |
|------|--------|
| 2017 | 65,712 |
| 2018 | 67,692 |
| 2019 | 69,720 |
| 2020 | 71,808 |

4. Related Party

The sole member of Reliance Worldwide Investments, LLC is also the sole member of Global Investments, LLC, owner of the property that the Company leases at 900 Tri-State Parkway, Gurnee, IL 60031 (See Note 3). This lease commitment is treated as an arm's length transaction by both parties.

5. Cash Deposit

Cash of \$31,951 is segregated in the Hilltop Securities (formerly Southwest Securities prior to the completion of the merger in October, 2015) clearing account. An initial deposit of \$30,000 was required by Southwest Securities and the additional balance is interest earned in prior years. No interest was earned on this account for the year ended December 31, 2016.

6. Net Capital Requirements

The Company is subject to the SEC Uniform Net Capital Rule (SEC 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 (and the rule of the "applicable" exchange also provides that equity capital may not be withdrawn or cash dividends paid if the resulting net capital ratio would exceed 10 to 1). At December 31, 2016, the Company had net capital of \$750,435, which was \$741,493 in excess of its required net capital of \$8,942. The Company's net capital ratio was 17.87 to 1.

7. Credit Risk

The Company maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At December 31, 2016, the Company had balances in excess of insured limits totaling \$131,483. The Company has not experienced any losses in such accounts.

Reliance Worldwide Investments, LLC
Notes to Financial Statements
December 31, 2016

8. Subsequent Events

The Company has evaluated subsequent events through February 24, 2017, the date which the financial statements were available to be issued.