

**R.J. O'BRIEN SECURITIES, LLC**

Report Pursuant to Rule 17a-5(d)

Year Ended December 31, 2020

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

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

OMB APPROVAL	
OMB Number:	3235-0123
Expires:	October 31, 2023
Estimated average burden hours per response:	12.00

SEC FILE NUMBER
8-67587

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 01/01/2020 AND ENDING 12/31/2020  
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: R. J. O'Brien Securities, LLC

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

222 South Riverside Plaza, Suite 1200

(No. and Street)

Chicago

IL

60606

(City)

(State)

(Zip Code)

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

Edward Kelley (219) 629-0727

(Area Code) (Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*

Ryan & Juraska, LLP

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

141 West Jackson Blvd, Suite 2250 Chicago

IL

60604

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:



Certified Public Accountant



Public Accountant



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

FOR OFFICIAL USE ONLY

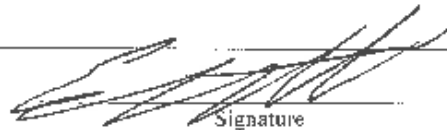
\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

SEC 1410 (11-05)

Potential 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.

## OATH OR AFFIRMATION

I, Edward Keiley, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of R. J. O'Brien 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

CFO & 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).**

## **R.J. O'BRIEN SECURITIES, LLC**

### **TABLE OF CONTENTS**

	<b><u>Page</u></b>
REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM	1
STATEMENT OF FINANCIAL CONDITION	2
STATEMENT OF OPERATIONS	3
STATEMENT OF CHANGES IN MEMBER'S EQUITY	4
STATEMENT OF CASH FLOWS	5
NOTES TO FINANCIAL STATEMENTS	6 - 9
SUPPLEMENTAL INFORMATION	
Schedule I:    Computation of Net Capital Under Rule 15c3-1 of the Securities and Exchange Commission	11 – 12
Schedule II:   Revenue and Possession Control Requirements	13
REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM ON MANAGEMENT'S EXEMPTION REPORT	14



**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 Member  
of R.J. O'Brien Securities, LLC

### Opinion on the Financial Statements

We have audited the accompanying statement of financial condition of R.J. O'Brien Securities, LLC (the Company) as of December 31, 2020, the related statements of operations, changes in member's equity, and cash flows for the year then ended, and the related notes and supplemental information (collectively referred to as the financial statements). In our opinion, the financial statements present fairly, in all material respects, the financial position of R.J. O'Brien Securities, LLC as of December 31, 2020, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

### Basis for Opinion

These financial statements are the responsibility of R.J. O'Brien Securities, LLC's management. Our responsibility is to express an opinion on the Company's financial statements 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 R.J. O'Brien Securities, 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 R.J. O'Brien Securities, LLC's auditor since 2020.

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 statements are 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 statements. 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 statements. We believe that our audit provides a reasonable basis for our opinion.

### Supplemental Information

The Supplemental Information (the "supplemental information") has been subjected to audit procedures performed in conjunction with the audit of R.J. O'Brien Securities, LLC's financial statements. The supplemental information is the responsibility of R.J. O'Brien Securities, LLC's management. Our audit procedures included determining whether the supplemental information reconciles to the financial statements 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 Information is fairly stated, in all material respects, in relation to the financial statements as a whole.

*Ryan & Juraska LLP*

Chicago, Illinois  
February 16, 2021

R.J. O'BRIEN SECURITIES, LLC  
Statement of Financial Condition  
December 31, 2020

ASSETS

Assets:

Cash	\$ 220,410
Firm investments, at fair value	25,000
Prepaid expenses	<u>5,343</u>
 Total Assets	 <u><u>\$ 250,753</u></u>

LIABILITIES AND MEMBER'S EQUITY

Liabilities:

Payable to affiliate	\$ 443
Accounts payable and accrued expenses	<u>17,352</u>
 Total liabilities	 <u>17,795</u>

Member's Equity	<u>232,958</u>
-----------------	----------------

Total Liabilities and Member's Equity	<u><u>\$ 250,753</u></u>
---------------------------------------	--------------------------

The accompanying notes are an integral part of these financial statements

R.J. O'BRIEN SECURITIES, LLC  
Statement of Operations  
For the Year Ended December 31, 2020

Revenues:	
Interest	\$ 92
	<hr/>
Total revenue	92
	<hr/>
Expenses:	
Operating expenses	7,123
Professional fees	22,565
	<hr/>
Total expenses	29,688
	<hr/>
Net Loss	\$ (29,596)
	<hr/>

The accompanying notes are an integral part of these financial statements

R.J. O'BRIEN SECURITIES, LLC  
Statement of Changes in Member's Equity  
For the Year Ended December 31, 2020

Balance, December 31, 2019	\$ 262,554
Capital contribution	-
Net loss	<u>(29,596)</u>
Balance, December 31, 2020	<u><u>\$ 232,958</u></u>

The accompanying notes are an integral part of these financial statements



R.J. O'BRIEN SECURITIES, LLC  
Statement of Cash Flows  
For the Year Ended December 31, 2020

**Cash flows from operating activities**

Net loss	\$ (29,596)
Adjustments to reconcile net loss to net cash provided (used) by operating activities:	
Change in assets and liabilities:	
(Increase) / Decrease in prepaid expense	(4,103)
(Increase) / Decrease in receivable / (payable) to affiliate	(653)
Increase / (Decrease) in accounts payable and accrued expenses	3,352
	<hr/>
Net cash used by operating activities	(31,000)
	<hr/>

**Cash flows from investing activities**

Net cash provided (used)by investing activities	-
	<hr/>

**Cash flows from financing activities**

Net cash provided (used)by investing activities	-
	<hr/>
Net decrease in cash	(31,000)
Cash at beginning of period	251,410
	<hr/>
Cash at end of period	\$ 220,410
	<hr/> <hr/>

The accompanying notes are an integral part of these financial statements

R. J. O'BRIEN SECURITIES, LLC  
Notes to the Financial Statements  
December 31, 2020

Note 1 - Summary of Significant Accounting Policies

The accounting and reporting policies of R.J. O'Brien Securities, LLC (the "Company") conform to U.S. generally accepted accounting principles and to general practices within the securities industry. The following is a description of the more significant of those policies that the Company follows in preparing its financial statements. The financial statements present the financial position and results of operations of the Company, a single-member Delaware limited liability company.

**Organization**

The Company, a wholly-owned subsidiary of JVMC Holdings Corp. (the "Parent"), is a registered broker-dealer in securities under the Securities Exchange Act of 1934. The Company engages in two types of business. The Company serves as lead selling agent for a commodity pool administered by an affiliated entity, which engages in the trading of commodity futures and options contracts. Through April 2019, the Company facilitated trades in equity options for clients of an affiliated entity on an agency basis that were given up to another broker-dealer for clearing. As of December 31, 2020, the Company did not have any significant operations. In addition, the Company does not carry any margin accounts and does not hold funds or securities for customers. The Parent makes capital contributions as necessary to cover any regular operating or regulatory requirements.

**Fair Value Measurements**

Fair value is defined as 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. The investment assets and liabilities of the Company are measured and reported at fair value.

**Income Taxes**

The Company is organized as a limited liability company and has no federal tax liability. State tax liabilities are determined under individual state laws of which none were payable. Temporary differences between the amounts reported in the financial statements and the tax basis of assets and liabilities result in deferred taxes. The Company is a single-member limited liability company, which is disregarded for federal income tax purposes.

The Company has reviewed the guidance for how uncertain tax positions should be recognized, measured, presented and disclosed in the financial statements. The Company has evaluated such implications for all open tax years and has determined there is no impact to the Company's financial statements as of December 31, 2020.

Any potential interest and penalty associated with a tax contingency, should one arise, would be included as a component of income tax expense in the period in which the assessment arises. The Company's income tax returns generally remain subject to examination by the regulatory authorities for three to five years from the date the return is due including extensions.

R. J. O'BRIEN SECURITIES, LLC  
Notes to the Financial Statements  
December 31, 2020

Note 1 - Summary of Significant Accounting Policies, continued

**Revenue Recognition**

The Company follows Accounting Standards Codification (ASC) Topic 606, *Revenue from Contracts with Customers* (ASC 606). ASC 606 requires that an entity 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 exchange for those goods and services. The guidance requires an entity to follow a five step model to (a) identify the contract(s) with a customer, (b) identify the performance obligations in the contract, (c) determine the transaction price, (d) allocate the transaction price to the performance obligation; in determining the transaction price, an entity may include variable consideration only to extent that is probable that a significant reversal in the amount of cumulative revenue recognized would not occur when the uncertainty associated with the variable consideration is resolved and (e) recognize revenue when (or as) the Company satisfies a performance obligation.

Revenue from contracts with customers includes commission income primarily from give-up transactions. The recognition and measurement of revenue is based on the assessment of individual contract items. Significant judgment is required to determine whether performance obligations are satisfied at a point in time or over time; how to allocate the transaction process where multiple performance obligations are identified; when to recognize revenue based on the appropriate measure of the Company's progress under the contract; and whether constraints on variable considerations should be applied due to uncertain future events.

The Company earns commissions for facilitating equity options trading for the clients of an affiliated entity. 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 have been transferred to/from the customer. The Company accrues interest on its investments in the period when earned.

Additionally, the Company acts as a wholesale broker-dealer facilitating transactions for its affiliate, OASIS Investment Strategies LLC. The Company does not earn any commissions or compensation for these transactions. The economic conditions which affect the firm's operations are related to the overall strength of the financial markets.

All investments in money market funds are recorded at their estimated fair value, as described in Note 4.

**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 statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Financial Instruments – Credit Losses**

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 amendments are effective for fiscal years beginning after December 15, 2019. This ASU did not have a material impact on the Company's financial statements.

R. J. O'BRIEN SECURITIES, LLC  
Notes to the Financial Statements  
December 31, 2020

Note 2 - Related Parties

The Company maintains an expense sharing agreement with an affiliated entity, R.J. O'Brien & Associates LLC (RJA), under which RJA pays certain expenses on behalf of the company. The Company had a payable of \$443 outstanding under this agreement at December 31, 2020. During 2020, the Company paid RJA \$6,625 for expenses.

The Company and its affiliates are related parties under common control of the Parent and the existence of that control could create operating results and financial positions different than if the entities were autonomous.

Note 3 - Net Capital

As a broker-dealer, the Company is subject to the Securities and Exchange Commission's Uniform Net Capital Rule (Rule 15c3-1), which requires the maintenance of minimum net capital. Rule 15c3-1 requires that the Company maintain minimum net capital, as defined, of \$5,000 at December 31, 2020, and requires that the ratio of "aggregate indebtedness" to "net capital," as those terms are defined by the Rule, may not exceed 15 to 1. At December 31, 2020, the Company had net capital of \$227,115, which was \$222,115 in excess of its required net capital and its ratio of indebtedness to net capital was 0.0784 to 1.

Note 4 - Fair Value Measurements

The Company has established a three-level valuation hierarchy for disclosure of fair value measurements. The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability as of the reported date. The three levels are defined as follows:

Level 1 – quoted prices in active markets are available for identical assets or liabilities as of the reported date.

Level 2 – quoted prices in markets that are not active or other pricing inputs that are either directly or indirectly observable as of the reported date.

Level 3 – prices or valuation techniques that are both significant to the fair value measurement and unobservable as of the reported date. These financial instruments do not have active markets and are measured using management's best estimate of fair value, where the inputs into the determination of fair value require significant management judgment or estimation.

An asset's or liability's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The fair value hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3).

The Company's investments consist of a money market mutual fund and are valued under the market approach through the use of unadjusted quoted market prices available in an active market and are classified with Level 1 of the valuation hierarchy.

There were no transfers into or out of the Level 1, 2 and 3 categories in the fair value measurement hierarchy for the year ended December 31, 2020. The Company did not hold any financial liabilities measured at fair value at December 31, 2020.

R. J. O'BRIEN SECURITIES, LLC  
Notes to the Financial Statements  
December 31, 2020

Note 5 - Subsequent Events

The Company's management has evaluated events and transactions through February 16, 2021, the date the financial statements were issued, noting no material events requiring disclosure in the Company's financial statements.

Supplemental Information  
Pursuant of Rule 17a-5 of the  
Securities Exchange Act of 1934  
as of  
December 31, 2020

## Schedule I

R.J. O'BRIEN SECURITIES, LLC  
Computation of Net Capital Under Rule 15c3-1  
of the Securities and Exchange Commission  
As of December 31, 2020

### COMPUTATION OF NET CAPITAL

Total member's equity qualified for net capital	\$ 232,958
Add:	
Other deductions or allowable costs	<u>-</u>
Total capital and allowable subordinated liabilities	232,958
Deductions and/or charges:	
Non-allowable assets:	
Prepaid expense	5,343
	<u>5,343</u>
Net capital before haircuts on securities positions	227,615
Haircuts on securities (computed, where applicable, pursuant to Rule 15c3-1(f))	<u>500</u>
Net capital	<u><u>\$ 227,115</u></u>

### AGGREGATE INDEBTEDNESS

Items included in statement of financial condition:	
Accounts payable and accrued expenses	<u>\$ 17,795</u>
Total aggregate indebtedness	<u><u>\$ 17,795</u></u>

## **Schedule I (continued)**

R.J. O'BRIEN SECURITIES, LLC  
Computation of Net Capital Under Rule 15c3-1  
of the Securities and Exchange Commission  
As of December 31, 2020

### **COMPUTATION OF BASIC NET CAPITAL REQUIREMENT**

Minimum net capital requirement required (6 2/3% of total aggregate indebtedness)	<u>\$ 1,186</u>
Minimum dollar net capital requirement of reporting broker or dealer	<u>\$ 5,000</u>
Net capital requirement (greater of above two minimum requirement amounts)	<u>\$ 5,000</u>
Net capital in excess of required minimum	<u>\$ 222,115</u>
Net capital less greater of aggregate indebtedness or 120% of minimum net capital	<u>\$ 221,115</u>
Ratio: Aggregate indebtedness to net capital	<u>0.0784 to 1</u>

### **RECONCILIATION WITH COMPANY'S COMPUTATION**

There were no material differences in this computation of net capital and the corresponding computation prepared by the Company and included in the unaudited Form X-17A-5 Part II FOCUS Report as of the same date.



## **Schedule II**

R.J. O'BRIEN SECURITIES, LLC

Revenue and Possession Control Requirements

As of December 31, 2020

### **REVENUE AND POSSESSION CONTROL REQUIREMENTS**

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

The Company did not handle any customer cash or securities during the year ended December 31, 2020 and does not have any customer accounts.

#### Information Relating to the Possession or Control Requirements Under Rule 15c3-3

The Company did not handle any customer cash or securities during the year ended December 31, 2020 and does not have any customer accounts.

Report of Independent Registered Public Accounting Firm

On Management's Exemption Report

Required By SEC Rule 17a-5

Year Ended December 31, 2020



**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 Member  
of R.J. O'Brien Securities, LLC

We have reviewed management's statements, included in the accompanying Management's Exemption Report, in which (1) the Company claimed an exemption from 17 C.F.R. 240.15c3-3 under the following provisions of 17 C.F.R. 240.15c3-3(k)(2)(i) and 17 C.F.R. 240.15c3-3(k)(2)(ii), and (2) the Company met the identified exemption provisions in 17 C.F.R. 240.15c3-3(k) throughout the period from January 1, 2020 to December 31, 2020. The Company's management is responsible for compliance with the exemption provisions and its statements.

Our review was conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States) and, therefore, included inquiries and other required procedures to obtain evidence about the Company's compliance with the exemption provisions. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on management's statements. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to management's statements referred to above for them to be fairly stated, in all material respects, based on the provisions set forth in paragraphs (k)(2)(i) and (k)(2)(ii) of Rule 15c3-3 under the Securities Exchange Act of 1934.

*Ryan & Juraska LLP*

Chicago, Illinois  
February 16, 2021

### MANAGEMENT'S EXEMPTION REPORT

R.J. O'Brien Securities, LLC (the "Company") is a registered broker-dealer subject to Rule 17a-5 promulgated by the Securities and Exchange Commission (17 C.F.R. §240.17a-5 "Reports to be made by certain brokers and dealers"). This Exemption Report was prepared as required by 17 C.F.R. §240.17a-5(d)(1) and (4). To the best of its knowledge and belief the Company states the following:

- 1) The Company claimed an exemption from 17 C.F.R. §240.15c3-3 under the following provisions of 17 C.F.R. §240.15c3-3(k)(2)(i) and 17 C.F.R. §240.15c3-3(k)(2)(ii)
- 2) The Company met the identified exemption provisions in 17 C.F.R. §240.15c3-3(k) throughout the period from January 1, 2020 to December 31, 2020

R.J. O'Brien Securities, LLC

I, Edward Keiley, swear (or affirm) that, to the best of my knowledge and belief, this Exemption Report is true and correct.

By: 

Title: FINOP and Chief Financial Officer

Date: 02/21/2021