

**BCW SECURTIES, LLC**

**ANNUAL REPORT**

**Pursuant to Rule 17a-5(d) of**

**The Securities Exchange Act of 1934**

**SEC File No. 8-67685**

**FOR THE YEAR ENDED DECEMBER 31, 2018**

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: August 31, 2020
Estimated average burden hours per response . . . . . 12.00

SEC FILE NUMBER
8-67685

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 01/01/18 AND ENDING 12/31/18  
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: **BCW Securities, LLC**

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

**55 Green Farms Road, Suite 200**

OFFICIAL USE ONLY

FIRM I.D. NO.

(No. and Street)

**Westport**

**CT**

**06880**

(City)

(State)

(Zip Code)

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

Kris Goldbach (704) 783-6658

(Area Code – Telephone Number)

B. ACCOUNTANT IDENTIFICATION

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

**PKF O'Connor Davies, LLP**

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

**665 Fifth Avenue**

**New York**

**NY**

**10022**

(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)

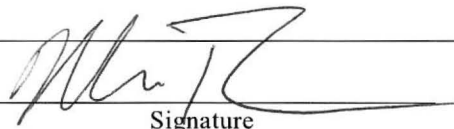
## OATH OR AFFIRMATION

I, Mark Bernegger, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of BCW 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:

\_\_\_\_\_

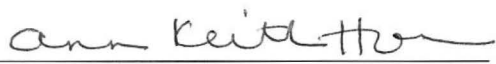
\_\_\_\_\_

\_\_\_\_\_

  
Signature

Managing Member

Title

  
Notary Public

ANN KEITH HORN  
NOTARY PUBLIC OF CONNECTICUT  
Comm. # 177213  
My Commission Expires 8/31/2023

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).*

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

**To the Member of  
BCW Securities, LLC**

### ***Opinion on the Financial Statements***

We have audited the accompanying statement of financial condition of **BCW Securities LLC** (the "Company"), as of December 31, 2018, the related statement of operations, changes in member's equity, and cash flows for the year then ended and the related notes to the financial statements (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2018, 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 the Company'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 the Company in accordance with the U.S. federal securities laws and 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 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.

### ***Opinion on Supporting Schedules***

The supporting schedules required by Rule 17a-5 under the Securities and Exchange Act of 1934 ("SEA") have been subjected to audit procedures performed in conjunction with the audit of the Company's financial statements. The supporting schedules are the responsibility of the Company's management. Our audit procedures included determining whether the information in the supporting schedules 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 supporting schedules. In forming our opinion on the supporting schedules, we evaluated whether the supporting schedules, including their form and content, are presented in conformity with 17 C.F.R. §240.17a-5. In our opinion, the supporting schedules are fairly stated, in all material respects, in relation to the financial statements as a whole.

*PKF O'Connor Davies, LLP*

We have served as the Company's auditor since 2014.

March 15, 2019



**BCW SECURITIES, LLC**  
**STATEMENT OF FINANCIAL CONDITION**  
**DECEMBER 31, 2018**

---

**ASSETS**

Cash	\$ 245,700
Accounts receivable	278,406
Prepaid Expenses	13,110
<b>TOTAL ASSETS</b>	<b>\$ 537,216</b>

**LIABILITIES AND MEMBER'S EQUITY**

**Liabilities**

Accounts payable and accrued expenses	\$ 309,805
<b>Total liabilities</b>	<b>309,805</b>

**Member's equity**

Member's equity	227,411
<b>Total member's equity</b>	<b>227,411</b>

<b>TOTAL LIABILITIES AND MEMBER'S EQUITY</b>	<b>\$ 537,216</b>
--	-------------------

**BCW SECURITIES, LLC**  
**STATEMENT OF OPERATIONS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

---

**Revenue**

Investment banking income	\$ 4,366,623
Finders fees	933,782
Advisory fees	<u>196,468</u>
Total Revenue	<u>5,496,873</u>

**Expenses**

Commissions	2,209,099
Professional fees	35,000
Rent	23,640
Regulatory and compliance	51,093
Communications	16,424
Other operating expenses	<u>15,973</u>
Total Expenses	<u>2,351,229</u>

<b>Net Income</b>	<b><u><u>\$ 3,145,644</u></u></b>
-------------------	-----------------------------------

**BCW SECURITIES, LLC**  
**STATEMENT OF CHANGES IN MEMBER'S EQUITY**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

---

	<b>Member's Equity</b>
<b>Balance at January 1, 2018</b>	<b>\$ 24,000</b>
Net Income	3,145,644
Capital Distributions	<u>(2,942,233)</u>
<b>Balance at December 31, 2018</b>	<b><u>\$ 227,411</u></b>

**BCW SECURITIES, LLC**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

---

**Cash flows from operating activities:**

Net Income	\$ 3,145,644
<i>Adjustments to reconcile net income to net cash flows provided by/(used in) operating activities:</i>	
(Increase) decrease in operating assets:	
Accounts Receivable	(278,406)
Prepaid Expenses	(1,249)
Increase (decrease) in operating liabilities:	
Accounts payable and accrued expenses	252,165
<b>Net cash provided by operating activities</b>	<u>3,118,154</u>

**Cash flows from financing activities:**

Capital Distributions	(2,942,233)
<b>Net cash used in financing activities</b>	<u>(2,942,233)</u>

<b>Net increase in cash</b>	175,921
<b>Cash, beginning of year</b>	69,779
<b>Cash, end of year</b>	<u><u>\$ 245,700</u></u>



**BCW SECURITIES, LLC**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018**

**1) NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*Nature of Operations*

BCW Securities, LLC (the "Company") is a broker-dealer registered with the Securities and Exchange Commission ("SEC") and became a member of the Financial Industry Regulatory Authority ("FINRA") on February 5, 2008. The Company was organized on April 24, 2007 in the State of Delaware and engages in the private placement of securities and corporate finance consulting to institutional investors. The Company's office is located in Connecticut and its sole member is Riverside Management Group, LLC ("Management"). The Company is exempt from Rule 15c3-3 under the Securities Exchange Act of 1934 ("SEA") under paragraph (k)(2)(i) of that rule.

*Basis of Accounting*

Revenues and expenses are recorded on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States.

*Accounts Receivable*

Revenues due but not yet received that are expected to be collected within one year are recorded as accounts receivable at net realizable value. If amounts become uncollectible, they will be charged to operations when that determination is made.

*Revenue Recognition*

Effective January 1, 2018, the Company adopted ASC Topic 606, *Revenue from Contracts with Customers* ("ASC Topic 606"). The new revenue recognition guidance 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 or 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 obligations in the contract, and (e) recognize revenue when (or as) the entity satisfies a performance obligation.

Investment banking success fees are recognized at the point in time when the Company's performance under the terms of the contractual arrangement is completed, which is typically at the closing of a transaction when all performance obligations have been met and collection is assured.

For advisory fees, the Company receives retainers in advance of each transaction's closing or they are paid without a corresponding success fee. In these instances, revenue is recognized over time in which the performance obligations are simultaneously provided by the Company and delivered to and consumed by the customer.

**BCW SECURITIES, LLC**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018**

**1) NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

*Revenue Recognition (cont'd)*

For finders' fees the Company works on behalf of a fund to find potential investors for programs such as the U.S. Citizenship and Immigration Services (USCIS) EB5 Immigrant Investor Program (EB5) or a private equity structure. Once investors are accepted the Company has met its performance obligations to both types of clients. The fees that the Company receives for EB5 program investors are based on a percentage of the administrative fee paid by the investor to USCIS and are billed and recognized when USCIS receives the deposit. In addition, if an EB5 investor makes additional investments in a qualified investment the Company receives annual interest on the additional funds. Fees for private equity structures, whose life cycles generally range from 7 to 10 years, are received upon liquidation when the investors' principal is returned and profits realized.

Deferred revenues are reported when monies are received by the Company for services not yet provided. Revenue is recognized, and the deferred revenue liability eliminated, when the services have been rendered.

*Income Taxes*

The Company is a single member LLC and is treated as a disregarded entity for income tax purposes. The operating results of the Company are included in the tax return of Management and passed through to its partners. Therefore, no provision or liability for federal or state income taxes has been included in the financial statements. As of December 31, 2018, the member's tax years for 2017, 2016 and 2015 are subject to examination by the tax authorities. The Company has evaluated its current tax positions and has concluded that as of December 31, 2018, the Company does not have any significant uncertain tax positions for which a reserve would be necessary.

*Use of Estimates*

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclose 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.

*Date of Management's Review*

Management has evaluated subsequent events through March 15, 2019, which is the date the financial statements were available to be issued.



**BCW SECURITIES, LLC**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018**

**2) ACCOUNTS RECEIVABLE**

The Company uses the allowance method to recognize accounts receivable that may not be collectible. The Company regularly reviews all accounts and determines which are past due and may not be collectible. Any amounts that are written off are charged against the allowance. As of December 31, 2018, the accounts receivable balance and the allowance for doubtful accounts balance was \$278,406 and \$0, respectively.

**3) INTERCOMPANY RECEIVABLE**

As of December 31, 2018, there is no intercompany receivable balance.

**4) RELATED PARTY TRANSACTIONS**

The Company pays a monthly rent fee to Management. For the year ended December 31, 2018, rent fees paid amounted to \$23,640. These expenses have been reflected in the statement of operations in the appropriate category.

**5) CONCENTRATIONS OF RISK**

The Company maintains its cash balances at a major financial institution. The balances are fully insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000. As of December 31, 2018, there were no uninsured balances.

The Company engages in various private placement services. In the event customers do not fulfill their obligations, the Company may be exposed to risk. The risk of default depends on the creditworthiness of the customers. It is the Company's policy to review, as necessary, the credit standing of each customer.

As the Company's revenue is derived from private placement transactions, revenue concentration is not uncommon. In 2018, approximately 70% of the Company's revenue was derived from three clients. Further, in the normal course of business, the Company engages in business relationships with new clients. As private placement transactions are typically event driven (ex., acquisition), the firm's largest clients (measured by Company revenue) will change each year.

**6) INDEMNIFICATIONS**

In the normal course of business, the Company indemnifies and guarantees certain service providers, such as trustees and administrators, against specified potential losses in connection with their acting as an agent of, or providing services to, the Company or its affiliates. The Company also indemnifies some clients against potential losses incurred in the event specified third-party service providers, including sub-custodians and third-party brokers, improperly execute transactions. The maximum potential amount of future payments that the Company could be required to make under these indemnifications cannot be estimated. However, the Company believes that it is unlikely it will have to make material payments under these arrangements and has

**BCW SECURITIES, LLC**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018**

not recorded any contingent liability in the financial statements for these indemnifications.

The Company provides representations and warranties to counterparties in connection with a variety of commercial transactions and occasionally indemnifies them against potential losses caused by the breach of those representations and warranties. The Company may also provide standard indemnifications to some counterparties to protect them in the event additional taxes are owed or payments are withheld, due either to a change in or adverse application of certain tax laws.

These indemnifications generally are standard contractual terms and are entered into in the normal course of business. The maximum potential amount of future payments that the Company could be required to make under these indemnifications cannot be estimated. However, the Company believes that it is unlikely it will have to make material payments under these arrangements and has not recorded any contingent liability in the financial statements for these indemnifications.

**7) NET CAPITAL REQUIREMENTS**

The Company is subject to the Uniform Net Capital Rule (SEA 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, 2018, the Company had net capital of \$181,459 which is \$160,805 in excess of required net capital of \$20,654. The Company's aggregate indebtedness to net capital ratio at December 31, 2018 is 1.71 to 1.

**BCW SECURITIES, LLC**  
**SCHEDULE OF COMPUTATION OF NET CAPITAL FOR BROKERS AND DEALERS PURSUANT**  
**TO RULE 15c3-1 UNDER THE SECURITIES AND EXCHANGE ACT OF 1934 ("SEA")**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

---

Total member's equity	\$ 227,411
-----------------------	------------

Non-allowable assets, deductions and charges:

Accounts Receivable	32,842
---------------------	--------

Prepaid expenses	<u>13,110</u>
------------------	---------------

Total non-allowable assets, deductions and charges	45,952
--	--------

Net capital	<u><u>\$ 181,459</u></u>
-------------	--------------------------

**Computation of basic net capital requirements**

Minimum net capital required (6 2/3% of aggregate indebtedness of \$309,805)	\$ 20,654
---	-----------

Minimum dollar net capital requirement	<u>5,000</u>
--	--------------

Minimum capital required	<u>20,654</u>
--------------------------	---------------

Excess net capital	<u><u>\$ 160,805</u></u>
--------------------	--------------------------

Net capital less greater of 10% of aggregate indebtedness or 120% of minimum net capital required	<u><u>\$ 150,479</u></u>
--	--------------------------

**Computation of aggregate indebtedness**

Total aggregate indebtedness in the statement of financial condition	<u><u>\$ 309,805</u></u>
---	--------------------------

Percentage of aggregate indebtedness to net capital	170.73%
---	---------

Ratio of aggregate indebtedness to net capital	<u><u>1.71 to 1</u></u>
--	-------------------------

There are no material differences between the computation of net capital presented above and the computations of net capital reported by the Company's unaudited form X-17a-5, Part II-A, as amended on March 15, 2019.



**BCW SECURITIES, LLC**  
**INFORMATION RELATING TO POSSESSION OR CONTROL REQUIREMENTS**  
**PURSUANT TO SEA RULE 15c3-3**  
**COMPUTATION FOR DETERMINATION OF THE RESERVE REQUIREMENTS**  
**PURSUANT TO SEA RULE 15c3-3**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

---

The Company carries no customer accounts and does not handle cash or securities on behalf of its customers and is exempt from the provisions of SEA Rule 15c3-3 in that the Company's activities are limited to those set forth in the conditions for exemption appearing in paragraph (k)(2)(i) of that rule.

**Report of Independent Registered Public Accounting Firm on  
Review of the Exemption Report**

**To the Member of  
BCW Securities, LLC**

We have reviewed management's statements, included in the accompanying Rule 15c3-3 Exemption Report, in which (1) **BCW Securities, LLC** (the "Company") identified the following provision of 17 C.F.R. § 15c3-3 (k) under which the Company claimed an exemption from 17 C.F.R. § 240.15c3-3 (k)(2)(i) (the exemption provision); and (2) the Company stated that it met the identified exemption provision throughout the year ended December 31, 2018 without exception. The Company's management is responsible for compliance with the exemption provision and its statements.

Our review was conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States) and, accordingly, included inquiries and other required procedures to obtain evidence about the Company's compliance with the exemption provision. 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 provision set forth in paragraph (k)(2)(i) of Rule 15c3-3 under the Securities Exchange Act of 1934.

*PKF O'Connor Davies, LLP*

March 15, 2019

# BCW Securities LLC

---

**Member FINRA/SIPC**

55 Greens Farms Road, Suite 200

Westport, CT 06880

Ph: 203-983-3350

Fax: 203-557-8768

[www.rmginvestments.com](http://www.rmginvestments.com)

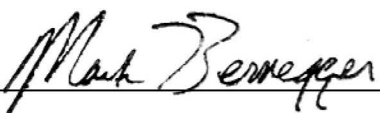
## BCW Securities, LLC's Exemption Report

BCW 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)
- (2) The Company met the identified exemption provisions in 17 C.F.R. § 240.15c3-3(k) throughout the period January 1 to December 31, 2018 without exception.

BCW Securities, LLC

I, Mark Bernegger, swear (or affirm) that, to my best knowledge and belief, this Exemption Report is true and correct.

By: 

Mark Bernegger  
Managing Member

Date: March 13, 2019