

**ETC BROKERAGE SERVICES, LLC**

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**DECEMBER 31, 2022**

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

ANNUAL REPORTS  
FORM X-17A-5  
PART III

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

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

A. REGISTRANT IDENTIFICATION

NAME OF FIRM: ETC BROKERAGE SERVICES, 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 a P.O. box no.)

1 EQUITY WAY

(No. and Street)

WESTLAKE

(City)

OHIO

(State)

44145

(Zip Code)

PERSON TO CONTACT WITH REGARD TO THIS FILING

ALESSIO BLANGIARDO (917) 309 1304 A.BLANGIARDO@ETCBROKERAGE  
(Name) (Area Code - Telephone Number) (Email Address)

B. ACCOUNTANT IDENTIFICATION

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

RSM US LLP

(Name - If individual, state last, first, and middle name)

30 SOUTH WACKER DRIVE, SUITE 3300, CHICAGO, IL 60606  
(Address) (City) (State) (Zip Code)

09/24/2003

(Date of Registration with PCAOB)(if applicable)

49

(PCAOB Registration Number, if applicable)

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\* Claims for exemption from the requirement that the annual reports be covered by the reports of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis of the exemption. See 17 CFR 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.

# OATH OR AFFIRMATION

I, ALESSIO BLANCHARD, swear (or affirm) that, to the best of my knowledge and belief, the financial report pertaining to the firm of ETC BROKERAGE SERVICES, LLC, as of DECEMBER 31, 2022, is true and correct. I further swear (or affirm) that neither the company nor any partner, officer, director, or equivalent person, as the case may be, has any proprietary interest in any account classified solely as that of a customer.

Yi Luo 03/31/2023  
Notary Public

YI LUO  
NOTARY PUBLIC, STATE OF NEW YORK  
Registration No. 01LU8365477  
Qualified in Nassau County  
Commission Expires October 10, 2025

Signature:

Title:

FINANCIAL OPERATIONS PRINCIPAL

## This filing\*\* contains (check all applicable boxes):

- ☒ (a) Statement of financial condition.
- ☒ (b) Notes to consolidated 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 cash flows.
- ☐ (e) Statement of changes in stockholders' or partners' or sole proprietor's equity.
- ☐ (f) Statement of changes in liabilities subordinated to claims of creditors.
- ☐ (g) Notes to consolidated financial statements.
- ☐ (h) Computation of net capital under 17 CFR 240.15c3-1 or 17 CFR 240.18a-1, as applicable.
- ☐ (i) Computation of tangible net worth under 17 CFR 240.18a-2.
- ☐ (j) Computation for determination of customer reserve requirements pursuant to Exhibit A to 17 CFR 240.15c3-3.
- ☐ (k) Computation for determination of security-based swap reserve requirements pursuant to Exhibit B to 17 CFR 240.15c3-3 or Exhibit A to 17 CFR 240.18a-4, as applicable.
- ☐ (l) Computation for Determination of PAB Requirements under Exhibit A to § 240.15c3-3.
- ☐ (m) Information relating to possession or control requirements for customers under 17 CFR 240.15c3-3.
- ☐ (n) Information relating to possession or control requirements for security-based swap customers under 17 CFR 240.15c3-3(p)(2) or 17 CFR 240.18a-4, as applicable.
- ☐ (o) Reconciliations, including appropriate explanations, of the FOCUS Report with computation of net capital or tangible net worth under 17 CFR 240.15c3-1, 17 CFR 240.18a-1, or 17 CFR 240.18a-2, as applicable, and the reserve requirements under 17 CFR 240.15c3-3 or 17 CFR 240.18a-4, as applicable, if material differences exist, or a statement that no material differences exist.
- ☐ (p) Summary of financial data for subsidiaries not consolidated in the statement of financial condition.
- ☒ (q) Oath or affirmation in accordance with 17 CFR 240.17a-5, 17 CFR 240.17a-12, or 17 CFR 240.18a-7, as applicable.
- ☐ (r) Compliance report in accordance with 17 CFR 240.17a-5 or 17 CFR 240.18a-7, as applicable.
- ☐ (s) Exemption report in accordance with 17 CFR 240.17a-5 or 17 CFR 240.18a-7, as applicable.
- ☒ (t) Independent public accountant's report based on an examination of the statement of financial condition.
- ☐ (u) Independent public accountant's report based on an examination of the financial report or financial statements under 17 CFR 240.17a-5, 17 CFR 240.18a-7, or 17 CFR 240.17a-12, as applicable.
- ☐ (v) Independent public accountant's report based on an examination of certain statements in the compliance report under 17 CFR 240.17a-5 or 17 CFR 240.18a-7, as applicable.
- ☐ (w) Independent public accountant's report based on a review of the exemption report under 17 CFR 240.17a-5 or 17 CFR 240.18a-7, as applicable.
- ☐ (x) Supplemental reports on applying agreed-upon procedures, in accordance with 17 CFR 240.15c3-1e or 17 CFR 240.17a-12, as applicable.
- ☐ (y) Report describing any material inadequacies found to exist or found to have existed since the date of the previous audit, or a statement that no material inadequacies exist, under 17 CFR 240.17a-12(k).
- ☐ (z) Other: \_\_\_\_\_

\*\*To request confidential treatment of certain portions of this filing, see 17 CFR 240.17a-5(e)(3) or 17 CFR 240.18a-7(d)(2), as applicable.



## Report of Independent Registered Public Accounting Firm

RSM US LLP

To the Members of ETC Brokerage Services, LLC

### Opinion on the Financial Statements

We have audited the accompanying statement of financial condition of ETC Brokerage Services, LLC (the Company) as of December 31, 2022, the related statements of income, changes in members' equity and cash flows for the year then ended, and the related notes to the financial statements (collectively, 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, 2022, 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 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 statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audit we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

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.

### Emphasis of Matter

As discussed in Note 3 to the financial statements, the opening members' equity balance has been restated to correct a misstatement. We audited the adjustments necessary to restate the opening members' equity balance as further disclosed in Note 3. In our opinion, such adjustments are appropriate and have been properly applied. Our opinion is not modified with respect to this matter.

### Supplemental Information

The supplementary information contained in Schedule I and II (the Supplemental Information) has been subjected to audit procedures performed in conjunction with the audit of the Company's financial statements. The Supplemental Information is the responsibility of the Company'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 supplementary information contained in Schedule I and II is fairly stated, in all material respects, in relation to the financial statements as a whole.

**RSM US LLP**

We have served as the Company's auditor since 2022.

Chicago, Illinois  
March 31, 2023

**THE POWER OF BEING UNDERSTOOD**  
**AUDIT | TAX | CONSULTING**



RSM US LLP

## Report of Independent Registered Public Accounting Firm

To the Members of ETC Brokerage Services, LLC

We have reviewed management's statements, included in the accompanying Exemption Report in which (a) ETC Brokerage Services, LLC identified the following provisions of 17 C.F.R. § 240.15c3-3(k) under which ETC Brokerage Services, LLC claimed an exemption from 17 C.F.R. § 240.15c3-3: Paragraph (k)(2)(ii) (the exemption provisions) and (b) ETC Brokerage Services, LLC stated that ETC Brokerage Services, LLC met the identified exemption provisions throughout the most recent fiscal year without exception. ETC Brokerage Services LLC'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, accordingly, included inquiries and other required procedures to obtain evidence about ETC Brokerage Services, LLC'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 paragraph (k)(2)(ii) of 17 C.F.R. § 240.15c3-3.

*RSM US LLP*

Chicago, Illinois  
March 31, 2023

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AUDIT | TAX | CONSULTING

**ETC BROKERAGE SERVICES, LLC**

**STATEMENT OF FINANCIAL CONDITION**

**DECEMBER 31, 2022**

**ASSETS**

Cash and Cash Equivalents	\$	2,509,917
Deposit with Clearing Broker		261,887
Receivables from Affiliates		49,039
Prepaid Expenses		39,337
Goodwill		3,500
		<hr/>
Total Assets	\$	<u>2,863,680</u>

**LIABILITIES AND MEMBERS' EQUITY**

Accrued Expenses	\$	340,182
Accounts Payable		207,615
Payable to Clearing Organization		17,148
		<hr/>
Total Liabilities	\$	<u>564,945</u>

MEMBERS' EQUITY		<hr/> 2,298,735
Total liabilities and members' equity	\$	<u>2,863,680</u>

The accompanying notes are an integral part of the financial statements.

**ETC BROKERAGE SERVICES, LLC**

**STATEMENT OF INCOME  
FOR THE YEAR ENDED DECEMBER 31, 2022**

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REVENUE:

Commissions	\$ 1,143,613
Administrative fees	724,252
Client fees	60,636
Mutual fund income	59,079
Other income	33,143
Interest and dividends	10,521
Trading profit	<u>168</u>
	\$ 2,031,412

EXPENSES:

Salaries and other compensation	\$ 1,133,423
Clearance	931,209
Professional fees	837,540
Office and administrative	389,234
Employee benefits and taxes	171,450
License and permits	93,259
Monthly statement charges	56,700
Trading errors	24,109
Taxes	4,522
Regulatory fees	1,618
Insurance	<u>1,451</u>
	\$ 3,644,515

NET INCOME (LOSS)	<u><u>\$ (1,613,103)</u></u>
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The accompanying notes are an integral part of the financial statements.

**ETC BROKERAGE SERVICES, LLC**

**STATEMENT OF CHANGES IN MEMBERS' EQUITY  
FOR THE YEAR ENDED DECEMBER 31, 2022**

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BALANCE - Beginning of year, as previously stated	\$ 836,337
Bonus accrual	<u>(124,499)</u>
BALANCE - Beginning of year, as restated	\$ 711,838
Net Income (Loss)	(1,613,103)
Capital Contribution	<u>3,200,000</u>
BALANCE - End of year	<u><u>\$ 2,298,735</u></u>

The accompanying notes are an integral part of the financial statements.



**ETC BROKERAGE SERVICES, LLC**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

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**CASH FLOWS FROM OPERATING ACTIVITIES**

Net loss \$ (1,613,103)

Adjustments to Reconcile Net loss to Net Cash Provided by (Used in) Operating Activities:

Changes in operating assets and liabilities:

Increase in Accounts payable and accrued expenses 456,404

Increase in Receivable to/payable from Clearing Firm 42,279

Decrease in Prepaid Expenses 11,650

Decrease in mutual fund Receivable 1,097

Increase in Clearing Deposit (879)

Increase in Receivables from Affiliates (49,039)

Total Adjustments 461,512

Net Cash used in Operating Activities \$ (1,151,591)

**CASH FLOWS FROM FINANCING ACTIVITIES**

Capital Contribution 3,200,000

Net cash provided by financing activities 3,200,000

NET INCREASE IN CASH AND CASH EQUIVALENTS \$ 2,048,409

Cash and Cash Equivalents at beginning of the year 586,007

Cash at end of the year \$ 2,509,917

The accompanying notes are an integral part of the financial statements.

## **ETC BROKERAGE SERVICES, LLC**

### **NOTES TO FINANCIAL STATEMENTS**

**December 31, 2022**

**Note 1. Nature of Operations and Summary of Significant Accounting Policies:**

**A. Business Activity:**

ETC Brokerage Services, LLC (the Company) operates principally in the securities industry as a broker-dealer on a fully disclosed basis and is registered with the Securities and Exchange Commission (SEC). The Company is a member of the Financial Industry Regulatory Authority (FINRA). The Company is in Westlake, Ohio and most of its customers are in northeast Ohio with the remaining customers located throughout the United States.

The Company operates under the provisions of Paragraph (k)(2)(ii) of Rule 15c3-3 of the Securities Exchange Act of 1934 and, accordingly, is exempt from the remaining provisions of that Rule. Essentially, the requirements of Paragraph (k)(2)(ii) provide that the Company clear all transactions on behalf of customers on a fully disclosed basis with a clearing broker-dealer, and promptly transmit all customer funds and securities to the clearing broker-dealer. The clearing broker-dealer carries all the accounts of the customer and maintains and preserves all related books and records as are customarily kept by a clearing broker-dealer.

The Company follows generally accepted accounting principles in the United States (GAAP), as established by the Financial Accounting Standards Board (FAS), to ensure consistent reporting of financial condition, results of operation, and cash flows. Significant accounting policies are as follows:

**B. Receivables:**

The Company considers receivables to be fully collectible; accordingly, no allowance for credit losses is required. If amounts become uncollectible, they will be charged to expense when that determination is made.

**C. Estimates:**

The process of preparing financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

**ETC BROKERAGE SERVICES, LLC**

**NOTES TO FINANCIAL STATEMENTS**

**December 31, 2022**

**Note 1. Nature of Operations and Summary of Significant Accounting Policies (Continued):**

**D. Cash and Cash Equivalents:**

For purposes of the statement of cash flows, the Company considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

**E. Concentration of Risk:**

The Company maintains cash balances at a bank and the account at the bank is fully insured by the Federal Deposit Insurance Corporation. Approximately 99% of the Company's revenue is generated from the accounts of customers of Equity Trust Company and Equity Advisor Solutions, both related parties.

**F. Measurement of credit losses on Financial Statements:**

The Company considered receivables from Affiliates are within scope and determined that such assets have a de-minimis risk of credit loss due to the Company's historical collections. Therefore, as of December 31, 2022, the Company has not recorded a credit loss for these financial assets.

**G. Goodwill:**

Goodwill represents the excess of the cost of acquiring the Company over the fair market value of identified net assets at the date of acquisition and is reflected at cost on the statement of financial condition. FASB ASC 350 addresses the recognition and measurement of goodwill and other intangibles subsequent to their acquisition. Under those rules, goodwill will not be amortized but is subject to annual impairment tests. Upon qualitative review, we are not aware of any events that would require additional testing for goodwill impairment. No impairment expense was recorded in 2022.

**H. Revenue:**

Revenue is measured based on a consideration specified in a contract with a customer, pursuant to Accounting Topic 606, Revenue from Contracts with Customers. Revenues within the scope of Topic 606 include, Commissions, Administrative Fees, Client Fees, and Mutual fund income. The Company recognizes revenue when it satisfies a performance obligation by transferring control over a product to a customer. The Company buys and sells securities on

## **ETC BROKERAGE SERVICES, LLC**

### **NOTES TO FINANCIAL STATEMENTS**

**December 31, 2022**

**Note 1. Nature of Operations and Summary of Significant Accounting Policies (Continued):**

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 have been transferred to/from the customer. The Company provides only trading and brokerage services, and a related company provides trust and custody services. The Company had Mutual Fund receivables of \$1,097 as of January 1, 2022 and none as of December 31, 2022.

**Note 2. Deposit with Clearing Broker:**

The Company has a deposit with Clearing Broker in the amount of \$261,887 to cover the \$250,000 that is required by Axos Clearing, a broker clearing house.

**Note 3. Restatement:**

The financial statements as of year ended 2022 reflect a restatement of Salaries and Other Compensation related to an unrecorded bonus accrual. With the reflected restatement, ending members' equity as December 31, 2021, decreased from \$836,337 to \$711,838. As a result of the restatement, the Company recorded bonus expense of \$124,499. The Net Loss for the year ended 2021 increased from \$10,620, to \$135,199.

**Note 4. Income Taxes:**

The Company is a limited liability company that files its income tax returns on the accrual basis as a partnership for federal and state income tax purposes. As such, the Company does not pay income taxes, as any income or loss is included in the income tax returns of the individual members. Accordingly, no provision is made for federal or state income taxes in the financial statements. The Company follows the provisions of FASB ASC 740, *Income Taxes*, that establishes a single approach to address uncertainty in the recognition of deferred tax assets and liabilities. As of December 31, 2022, there were no positions for which management believes it is reasonably possible that the total amounts of tax contingencies significantly increase or decrease within 12 months of the reporting date. The 2019 through 2022 tax years

## **ETC BROKERAGE SERVICES, LLC**

### **NOTES TO FINANCIAL STATEMENTS**

**December 31, 2022**

**Note 4. Income Taxes (Continued):**

remain subject to examination by the IRS. The Company files tax returns in the U.S. federal jurisdiction, two state jurisdictions, and a local jurisdiction. As of December 31, 2022, no uncertain tax positions are under audit for any of the Company's tax jurisdictions.

**Note 5. Related Party Transactions:**

The Company has operating agreements with related parties, Equity Administrative Services, Inc. (EASI) and Equity Advisor Solutions (EAS), to provide broker support functions. The agreements require the Company to invoice EAS for services totaling \$474,252 and an annual net payment of \$250,000 from EASI. Administrative fee income amounted to \$724,252 for the year ended December 31, 2022, and is presented separately on the statement of operations.

Equity Administrative Services, Inc., a related party, provides office space, equipment, technology services, and administrative services to the Company as part of the referenced net payment.

Contributions to the 401(k) plan sponsored by Equity Trust Company amounted to \$7,012 for the year ended December 31, 2022.

**Note 6. Fair Value Measurements:**

Accounting Standards Codification (ASC) 820 defines fair value and provides guidance for measuring fair value and expands disclosures about fair value measurements in accordance with accounting principles generally accepted in the United States of America. ASC 820 does not require any new fair value measurements, but rather applies to all other accounting pronouncements that require fair value measurements.

ASC 820 establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobserved inputs (Level 3 measurement). The three levels of the fair value hierarchy under ASC 820 are described below:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Company has the ability to access.

**ETC BROKERAGE SERVICES, LLC**

**NOTES TO FINANCIAL STATEMENTS**

**December 31, 2022**

**Note 6. Fair Value Measurements (Continued):**

Level 2 – Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in active markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable inputs for substantially the full term of the asset or liability.

If the asset or liability has a specified (contractual) term, the Level 2 inputs must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurements.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level or any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following are descriptions of the valuation methodologies used for assets measured at fair value.

Money market funds: Valued at the net asset value of shares held by the Company at year-end.

The methods described above may produce a fair value calculation that may not be indicative of the net realizable value or reflective of future fair values. Furthermore, while the Company believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in different fair value measurement at the reporting date. As of December 31, 2022, the Company had no assets measured at Fair Value.

**ETC BROKERAGE SERVICES, LLC**

**NOTES TO FINANCIAL STATEMENTS**

**December 31, 2022**

**Note 7. Net Capital Requirements:**

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (SEC Rule 15c3-1), which requires the maintenance of minimum net capital and requires that the capital and the related net capital ratio may fluctuate on a daily basis. The Company had net capital of \$2,206,859 which was \$1,956,859 in excess of its required net capital of \$250,000. Members' equity at the beginning of the year was restated for a bonus accrual of \$124,499 and disclosed on the Statement of Changes in Members' Equity.

**Note 8. Subsequent Events:**

In preparing these financial statements, the Company has evaluated events and transactions for potential recognition or disclosure through the date the financial statements were issued.

**ETC BROKERAGE SERVICES, LLC**

**SCHEDULE I**

**COMPUTATIONS OF NET CAPITAL UNDER RULE 15c3-1  
OF THE SECURITIES AND EXCHANGE COMMISSION  
AS OF DECEMBER 31, 2022**

**NET CAPITAL**

Total Members' Equity	\$ 2,298,735
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**Deductions/Charges:**

Receivables from Affiliates	49,039
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Prepaid Expenses	39,337
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Goodwill	3,500
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Non-allowable Assets:	91,876
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Net Capital	\$ 2,206,859
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Net capital requirement	250,000
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Excess net capital	\$ 1,956,859
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Reconciliation of the Company's corresponding unaudited Form X-17A-5 Part II filing as of December 31, 2022 with the computation herein:

Excess net capital per unaudited Form X-17A-5 Part II filing:	\$ 2,258,126
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Adjustment for bonus accrual	301,267
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Excess net capital per computation herein	\$ 1,956,859
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**ETC Brokerage Services, LLC**

**SCHEDULE II**

**COMPUTATION FOR DETERMINATION OF RESERVE REQUIREMENTS  
AND INFORMATION RELATED TO POSSESSION OR CONTROL REQUIREMENTS  
UNDER RULE 15c3-3 OF THE SECURITIES AND EXCHANGE COMMISSION  
DECEMBER 31, 2022**

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**EXEMPTIVE PROVISIONS**

The Company has claimed an exemption from Rule 15c3-3 under section (k)(2)(ii), in which all customers transactions are cleared through another broker-dealer on a fully disclosed basis and, accordingly, is exempt from the remaining provisions of that Rule. During the year ended December 31, 2022, in the opinion of management, the Company has maintained compliance with the conditions for the exemption specified in paragraph (k)(2)(ii) of Rule 15c3-3.