

**MOODY SECURITIES, LLC**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION  
REQUIRED BY SEC RULE 17A-5**

**DECEMBER 31, 2023**

**TABLE OF CONTENTS**  
**MOODY SECURITIES, LLC**  
**December 31, 2023**

|  | <b><u>Page</u></b> |
|--|--------------------|
| Annual Audited Report Form X-17A-5 Part III Facing Page  | 1                  |
| Report of Independent Registered Public Accounting Firm on Financial Statements                    | 3                  |
| Statement of Financial Condition   | 5                  |
| Statement of Operations  | 6                  |
| Statement of Changes in Member's Equity  | 7                  |
| Statement of Cash Flows  | 8                  |
| Notes to Financial Statements  | 9                  |
| Supplemental Information:  |                    |
| Schedule I: Net Capital Computation Under Rule 15c3-1 of the<br>Securities and Exchange Commission | 15                 |
| Schedule II: Exemption from SEC Rule 15c3-3  | 16                 |
| Report of Independent Registered Public Accounting Firm on Exemption Report                        | 17                 |
| Exemption Report   | 18                 |

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

ANNUAL REPORTS  
FORM X-17A-5  
PART III

|  |
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| OMB APPROVAL                                       |
| OMB Number: 3235-0123                              |
| Expires: Nov. 30, 2026                             |
| Estimated average burden<br>hours per response: 12 |
| SEC FILE NUMBER                                    |
| 8-68069  |

FACING PAGE

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

FILING FOR THE PERIOD BEGINNING 01/01/2023 AND ENDING 12/31/2023  
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF FIRM: Moody Securities, 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.)

9655 Katy Freeway, Suite 600

(No. and Street)

Houston

(City)

TX

(State)

77024

(Zip Code)

PERSON TO CONTACT WITH REGARD TO THIS FILING

Robert Engel

(Name)

713-977-7500

(Area Code – Telephone Number)

rengel@moodysecurities.com

(Email Address)

B. ACCOUNTANT IDENTIFICATION

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

Frazier & Deeter, LLC

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

1230 Peachtree Street, Suite 1500

(Address)

Atlanta

(City)

Georgia

(State)

30309

(Zip Code)

10/14/2003

(Date of Registration with PCAOB)(if applicable)

215

(PCAOB Registration Number, if applicable)

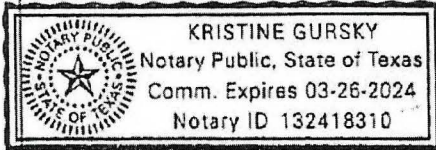
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\* Claims for exemption from the requirement that the annual reports be covered by the reports of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis of the exemption. See 17 CFR 240.17a-5(e)(1)(ii), 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, Robert Engel, swear (or affirm) that, to the best of my knowledge and belief, the financial report pertaining to the firm of Moody Securities, LLC, as of 12/31, 2023, 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.



Signature: Robert W. Engel, CFO  
Title: CFO

Kristine Gursky  
Notary Public

### 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.





Frazier  
& Deeter  
CPAs & ADVISORS

1230 Peachtree Street NE  
Suite 1500  
Atlanta, Georgia 30309  
404.253.7500  
[www.frazierdeeter.com](http://www.frazierdeeter.com)

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Manager and Member of  
Moody Securities, LLC

### Opinion on the Financial Statements

We have audited the accompanying statement of financial condition of Moody Securities, LLC, (the "Company") as of December 31, 2023, and the related statements of operations, changes in member's equity, and cash flows for the year then ended, and the related notes and schedules (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, 2023, and the results of its operations and 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 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.

## Supplemental Information

The information included in the supplemental schedules, Schedule I and Schedule II, has been subjected to audit procedures performed in conjunction with the audit of Moody Securities, LLC's financial statements. The supplemental information is the responsibility of Moody 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 Rule 17a-5 of the Securities Exchange Act of 1934. In our opinion, the supplemental information is fairly stated, in all material respects, in relation to the financial statements as a whole.

*Frazier + Deuter, LLC*

We have served as the Company's auditor since 2012.  
Atlanta, Georgia  
February 28, 2024

**STATEMENT OF FINANCIAL CONDITION**  
**MOODY SECURITIES, LLC**  
**December 31, 2023**

**Assets**

|                  |                   |
|------------------|-------------------|
| Cash             | \$ 441,754        |
| Prepaid expenses | <u>285,631</u>    |
| Total Assets     | <u>\$ 727,385</u> |

**Liabilities and Member's Equity**

|                                       |                   |
|---------------------------------------|-------------------|
| Accounts payable and accrued expenses | \$ 151,622        |
| Due to other broker dealers           | <u>37,058</u>     |
| Total liabilities                     | 188,680           |
| Commitments and contingencies         |                   |
| Member's equity                       | <u>538,705</u>    |
| Total Liabilities and Member's Equity | <u>\$ 727,385</u> |

See accompanying notes to financial statements.

**STATEMENT OF OPERATIONS**  
**MOODY SECURITIES, LLC**  
**Year ended December 31, 2023**

|                              |                       |
|------------------------------|-----------------------|
| Revenues                     | <u>\$ 5,642,134</u>   |
| Operating expenses:          |                       |
| Commissions                  | 4,922,679             |
| General and administrative   | 891,805               |
| Management fees              | 120,000               |
| Registration and filing fees | 40,964                |
| Legal and professional fees  | 136,588               |
| Payroll and related taxes    | <u>1,215,881</u>      |
| Total operating expenses     | <u>7,327,917</u>      |
| Net loss                     | <u>\$ (1,685,783)</u> |

See accompanying notes to financial statements.



**STATEMENT OF CHANGES IN MEMBER'S EQUITY**  
**MOODY SECURITIES, LLC**  
**Year ended December 31, 2023**

|                              | <u>Total<br/>Member's<br/>Equity</u> |
|------------------------------|--------------------------------------|
| Balance at January 1, 2023   | \$ 417,264                           |
| Member cash contributions    | 1,807,224                            |
| Net loss                     | <u>(1,685,783)</u>                   |
| Balance at December 31, 2023 | <u>\$ 538,705</u>                    |

See accompanying notes to financial statements.

**STATEMENT OF CASH FLOWS**  
**MOODY SECURITIES, LLC**  
**Year ended December 31, 2023**

**Cash flows from operating activities:**

|   |                    |
|---|--------------------|
| Net loss  | \$ (1,685,783)     |
| Adjustments to reconcile net loss to net cash used in operating activities: |                    |
| Changes in operating assets and liabilities:                                |                    |
| Prepaid expenses  | (77,076)           |
| Accounts payable and accrued expenses                                       | 41,277             |
| Due to other broker dealers   | 1,991              |
| Operating lease right-of-use asset  | 12,000             |
| Operating lease liability   | (12,000)           |
| Net cash used in operating activities                                       | <u>(1,719,591)</u> |

**Cash flows from financing activities:**

|   |                   |
|---|-------------------|
| Member cash contributions                 | <u>1,807,224</u>  |
| Net cash provided by financing activities | <u>1,807,224</u>  |
| Net increase in cash                      | 87,633            |
| Cash - beginning of year                  | <u>354,121</u>    |
| Cash - end of year                        | <u>\$ 441,754</u> |

See accompanying notes to financial statements.

**NOTES TO FINANCIAL STATEMENTS**  
**MOODY SECURITIES, LLC**  
**Year ended December 31, 2023**

Note 1 - General information and summary of significant accounting policies:

Description of business

Moody Securities, LLC (the "Company") was formed on September 21, 2007, as a Delaware Limited Liability Company for the purpose of providing financial services primarily to entities related to its sole member. The Company is a broker-dealer of securities under the Securities Exchange Act of 1934 and is a member of the Financial Industry Regulatory Authority ("FINRA").

To date, the Company has received its funding from contributions from its sole member and its continued existence, in the absence of adequate cash flows from operations or other sources, will be dependent on receiving continued support from its member.

The Company is the dealer manager for Moody National DST Sponsor, LLC's ("DST Sponsor") offering of the extension of unsecured promissory notes issued pursuant to DST Sponsor's 2019 offering of unsecured promissory notes to July 31, 2023. The Company offered the note holders the option to extend the maturity date of the promissory notes from July 31, 2023 to July 31, 2025. The Company receives a selling commission of up to 5.0% of the principal amount of promissory notes of DST Sponsor's offering for which the maturity date is extended, all or a portion of which could be re-allowed to participating broker-dealers. In addition, DST Sponsor pays the Company a non-accountable marketing and due diligence allowance equal to 1.0% of the principal amount of promissory notes of DST Sponsor's offering for which the maturity date is extended, a portion of which could be re-allowed to participating broker-dealers. The Company also receives a placement fee equal to 0.5% of the principal amount of promissory notes of DST Sponsor's offering for which the maturity date is extended. The Company may also solicit the extension of the maturity date of the promissory notes as a selling group member, thereby becoming entitled to selling commissions. The total aggregate amount of selling commissions, allowances, and placement fees will not exceed 6.5% of DST Sponsor's offerings.

The Company is also the dealer manager for Moody National Financial Fund II, LLC's ("Financial Fund II") offering of limited liability units in Financial Fund II. The Company receives a selling commission of up to 6.0% of purchase price of limited liability units sold in Financial Fund II's offering, all or a portion of which could be re-allowed to participating broker-dealers. The Company also receives a placement fee equal to 0.5% of the purchase price of limited liability units sold in Financial Fund II's offering and the Company receives a non-accountable marketing and due diligence allowance equal to 1.0% of the purchase price of limited liability units sold in Financial Fund II's offering, a portion of which could be re-allowed to participating broker-dealers.



**NOTES TO FINANCIAL STATEMENTS**  
**MOODY SECURITIES, LLC**  
**Year ended December 31, 2023**

Note 1 - General information and summary of significant accounting policies - continued

Description of business - continued

The Company is the dealer manager for Moody Rainey DWTN Austin DST's ("Rainey DWTN Austin DST") offering of beneficial ownership interests. The Company receives a selling commission of up to 6.0% of purchase price of beneficial interests sold in Rainey DWTN Austin DST's offering, all or a portion of which could be re-allowed to participating broker-dealers. In addition, Rainey DWTN Austin DST pays the Company a non-accountable marketing and due diligence allowance equal to 1.0% of purchase price of beneficial interests sold in Rainey DWTN Austin DST's offering, a portion of which could be re-allowed to participating broker-dealers. The Company also receives a placement fee equal to 1.0% of purchase price of beneficial interests sold in Rainey DWTN Austin DST's offering. The Company may sell beneficial ownership interests in Rainey DWTN Austin DST as a selling group member, thereby becoming entitled to selling commissions. The total aggregate amount of selling commissions, allowances, and placement fees will not exceed 8.0% of purchase price of beneficial interests sold in Rainey DWTN Austin DST's offering.

The Company is the dealer manager for Moody Village Towers DST's ("Village Towers DST") offering of beneficial ownership interests. The Company receives a selling commission of up to 6.0% of purchase price of beneficial interests sold in Village Towers DST's offering, all or a portion of which could be re-allowed to participating broker-dealers. In addition, Village Towers DST pays the Company a non-accountable marketing and due diligence allowance equal to 1.0% of purchase price of beneficial interests sold in Village Towers DST's offering, a portion of which could be re-allowed to participating broker-dealers. The Company also receives a placement fee equal to 1.0% of purchase price of beneficial interests sold in Village Towers DST's offering. The Company may sell beneficial ownership interests in Village Towers DST as a selling group member, thereby becoming entitled to selling commissions. The total aggregate amount of selling commissions, allowances, and placement fees will not exceed 8.0% of purchase price of beneficial interests sold in Village Towers DST's offering.



**NOTES TO FINANCIAL STATEMENTS**  
**MOODY SECURITIES, LLC**  
**Year ended December 31, 2023**

Note 1 - General information and summary of significant accounting policies - continued

Basis of presentation

The Company has adopted the Financial Accounting Standards Board ("FASB") Codification ("Codification"). The Codification is the single official source of authoritative accounting principles generally accepted in the United States of America (U.S. GAAP) recognized by the FASB to be applied by nongovernmental entities. All of the Codification's content carries the same level of authority.

Use of estimates

The preparation of financial statements in conformity with U.S. GAAP 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

The Company was formed as a limited liability company and is treated as a sole proprietorship for federal income tax purposes. The earnings and losses of the Company are included in the member's income tax return. Consequently, the Company's income or loss is presented without a provision for federal and state income taxes. The Company's income or loss is allocated to the member in accordance with the organizational agreement.

**NOTES TO FINANCIAL STATEMENTS**  
**MOODY SECURITIES, LLC**  
**Year ended December 31, 2023**

Note 1 - General information and summary of significant accounting policies - continued

Income taxes - continued

The Company recognizes the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authority, based on the technical merits of the position. The Company does not file composite state income tax returns. All federal and state income tax positions taken or anticipated to be taken in the income tax returns are attributable to the member and not to the Company.

As of December 31, 2023, there are no known items which would result in a material accrual related to where the Company has federal or state attributable tax positions.

Revenue recognition policy

All of the Company's revenues are considered to be revenues from contracts with customers. The Company does not have customer accounts receivable or obligations for warranties, returns or refunds to customers. The Company does not have revenue recognized from performance obligations that were satisfied in prior periods, and the Company does not have any transaction price allocated to unsatisfied performance obligations. No judgements or estimates are necessary in the identification and timing of satisfaction of performance obligations and the related allocation of transaction price. The Company believes that the Company's recognized revenue represents a faithful depiction of the transfer of services to the Company's customers.

The Company earns revenue through various investment banking activities primarily as an advisor in services related to debt and equity securities offerings. Commissions and management fee revenues are generally earned and recognized only upon satisfaction of the performance obligation. The performance obligation is deemed to be satisfied when the investor's funds are received by the issuer and all other terms of the subscription agreement have been met.

**NOTES TO FINANCIAL STATEMENTS**  
**MOODY SECURITIES, LLC**  
**Year ended December 31, 2023**

Note 1 - General information and summary of significant accounting policies - continued

Financial instruments and credit risk

The financial instrument which potentially subjects the Company to credit risk is cash. The Company maintains its cash with a major domestic bank. From time to time, cash may exceed federally insured limits. The Company has not incurred losses related to these deposits.

Fair value of financial instruments

The Company's financial instruments consist of cash. The carrying amount of cash approximates fair value because of the short-term nature of this item.

Concentration of risk

The Company's cash and cash equivalents is held at an individual U.S. financial institution, which potentially exposes the Company to credit risk. The account is guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to certain limits. The Company had approximately \$192,000 in excess of FDIC-insured limits. The Company has not experienced any losses in this account.

Note 2 - Related party transactions:

Effective January 1, 2016, the Company entered into an office and administrative services agreement with a Company affiliated with its sole member through common ownership structured in accordance with the broker-dealer expense reporting provisions established by the U.S. Securities and Exchange Commission ("SEC"). On July 1, 2016, the Company entered into a new office and administrative services agreement with a Company affiliated with its sole member on the same terms and conditions as the January 1, 2016 agreement. The agreement automatically renews on an annual basis and includes furnishing of office space, supplies and equipment and facilitating the Company's payroll, insurance and employee benefits function. The Company paid \$120,000 in management fees to this affiliate during the year ended December 31, 2023.



**NOTES TO FINANCIAL STATEMENTS**  
**MOODY SECURITIES, LLC**  
**Year ended December 31, 2023**

Note 2 - Related party transactions (continued)

Effective January 1, 2016, the Company entered into a sublease agreement with an affiliate to lease office space in Houston, Texas for \$1,000 per month. Total rent expense related to this agreement for the year ended December 31, 2023 was \$12,000. Effective January 1, 2021, the termination date was extended for an additional three year term from December 31, 2021 to December 31, 2023. Under Accounting Standards Codification 842, *Leases*, operating leases are capitalized on the balance sheet by recording an asset and a liability. The liability is accounted for using an estimated amortized cost basis. Amortization of the right-of-use asset is calculated as the difference between straight line rent and interest expense for the period. The Company used a discount rate is 3.0% per annum applied to monthly cash obligations for the remaining term of the lease of \$1,000 per month, or \$12,000 total. The sublease agreement with an affiliate to lease office space in Houston was extended in 2024 to terminate on December 31, 2024.

The Company received all of its revenue of \$5,642,134 for the year ended December 31, 2023 from DST Sponsor, Rainey DWTN Austin DST, and Village Towers DST, related parties through common control.

Note 3 - Consulting agreement:

During January 2009, the Company entered into a consulting services agreement with MGL Consulting Corporation ("MGL") to provide financial and regulatory reporting services and FINRA compliance services. The agreement automatically renews on an annual basis until terminated by either party. The agreement includes a fixed monthly professional fee, plus additional professional fees regarding financial bookkeeping and regulatory compliance, which are billed based on MGL's fixed fee contract. Consulting fees incurred to MGL were approximately \$99,000 for the year ended December 31, 2023.

Note 4 - Net capital requirements:

In accordance with Rule 15c3-1 of the SEC, the Company's aggregate indebtedness, as defined, shall not exceed 15 times its net capital. The Company must also maintain minimum net capital. As of December 31, 2023, the Company's net capital, as defined, of \$253,074 exceeded the required minimum of \$12,579 by \$240,495 and its ratio of aggregate indebtedness to net capital was 0.7456 to 1.0.



**NOTES TO FINANCIAL STATEMENTS**  
**MOODY SECURITIES, LLC**  
**Year ended December 31, 2023**

Note 5 - Subordinated liabilities:

There were no liabilities subordinated to claims of general creditors at any time during the year. Therefore, the statement of changes in liabilities subordinated to claims of general creditors has not been presented for the year ended December 31, 2023.

Note 6 - Subsequent events:

Management has evaluated subsequent events as of February 28, 2024, which is the date that the financial statements were available for issuance, and has determined that there are no subsequent events to be reported.

## **SUPPLEMENTAL INFORMATION**

**SCHEDULE I: NET CAPITAL COMPUTATION UNDER RULE 15c3-1 OF THE  
SECURITIES AND EXCHANGE COMMISSION  
MOODY SECURITIES, LLC  
December 31, 2023**

|   |    |         |                |
|---|----|---------|----------------|
| Net capital requirement, the greater of:  |    | \$      | 12,579         |
| 1/15 of Aggregate Indebtedness  | \$ | 12,579  |                |
| Minimum Dollar Requirement  |    | 5,000   |                |
| Net capital   |    |         | <u>253,074</u> |
| <b>Excess Net Capital:</b>  |    | \$      | <u>240,495</u> |
| Aggregate indebtedness  |    | \$      | <u>188,680</u> |
| Excess net capital @ 100%   |    | \$      | <u>234,206</u> |
| (Net capital, less 10% aggregate indebtedness)  |    |         |                |
| Ratio of aggregate indebtedness to net capital  |    |         | 74.56%         |
| Ratio of subordinated indebtedness to debt/equity total   |    |         | <u>N/A</u>     |
| 120% of required capital  |    | \$      | <u>15,095</u>  |
| Net capital in excess of 120% of required net capital   |    | \$      | <u>237,979</u> |
| Total assets  |    | \$      | 727,385        |
| Less - total liabilities  |    |         | <u>188,680</u> |
| Net worth   |    |         | 538,705        |
| Deductions from and/or charges to net worth:  |    |         |                |
| Total non-allowable assets  | \$ | 285,631 |                |
| Other deductions or charges   |    | -       |                |
| Total deductions from net worth   |    |         | <u>285,631</u> |
| Net capital before haircuts on securities positions   |    |         | 253,074        |
| Haircuts on securities:   |    |         |                |
| Certificates of deposit and commercial paper  |    | -       |                |
| U.S. and Canadian government obligations  |    | -       |                |
| State and municipal government obligations  |    | -       |                |
| Corporate obligations   |    | -       |                |
| Stock and warrants  |    | -       |                |
| Options   |    | -       |                |
| Arbitrage   |    | -       |                |
| Other securities  |    | -       |                |
| Undue concentration   |    | -       |                |
| Net capital   |    | \$      | <u>253,074</u> |
| Reconciliation with the Company's Computation (included in<br>Part II of Form X-17A-5) as of December 31, 2023: |    |         |                |
| Net capital, as reported in the Company's Part II (unaudited):  |    |         |                |
| Focus Report  |    | \$      | 253,074        |
| Audit adjustments:  |    |         |                |
| None  |    |         | -              |
| Net capital, per above  |    | \$      | <u>253,074</u> |

See independent auditor's report.

**SCHEDULE II: EXEMPTION FROM SEC RULE 15c3-3**  
**MOODY SECURITIES, LLC**  
**Year ended December 31, 2023**

Moody 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 does not claim an exemption under paragraph (k) of 17 C.F.R. § 240.15c3-3, and

(2) The Company is filing this Exemption Report relying on Footnote 74 of the SEC Release No. 34-70073 adopting amendments to 17 C.F.R. § 240.17a-5 because the Company limits its business activities exclusively to: (1) private placement of securities; (2) broker or dealer selling tax shelters or limited partnerships in primary distributions; and (3) broker or dealer selling registered, non-listed Real Estate Investment Trusts (“REITs”), and the Company (1) did not directly or indirectly receive, hold, or otherwise owe funds or securities for or to customers, (other than money or other consideration received and promptly transmitted in compliance with paragraph (a) or (b)(2) of Rule 15c2-4 and/or funds received and promptly transmitted for effecting transactions via subscriptions on a subscription way basis where the funds are payable to the issuer or its agent and not to the Company); (2) did not carry accounts of or for customers; and (3) did not carry PAB accounts (as defined in Rule 15c3-3) throughout the most recent fiscal year without exception.



## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Management  
of Moody Securities, LLC

We have reviewed management's statements, included in the accompanying Rule 15c3-3 Exemption Report pursuant to SEC Rule 17a-5, in which (1) Moody Securities, LLC (the Company) did not claim an exemption under paragraph (k) of 17 C.F.R. §240.15c3-3, and (2) the Company is filing this Exemption Report relying on Footnote 74 of the SEC Release No. 34-70073 adopting amendments to 17 C.F.R. § 240.17a-5 because the Company limits its business activities exclusively to (1) private placement of securities; (2) broker or dealer selling tax shelters or limited partnerships in primary distributions; and (3) broker or dealer selling registered, non-listed Real Estate Investment Trusts ("REITs"). In addition, the Company did not directly or indirectly receive, hold, or otherwise owe funds or securities for or to customers, other than money or other consideration received and promptly transmitted in compliance with paragraph (a) or (b)(2) of Rule 15c2-4 and/or funds received and promptly transmitted for effecting transactions via subscriptions on a subscription way basis where the funds are payable to the issuer or its agent and not to the Company; did not carry accounts of or for customers; and did not carry PAB accounts (as defined in Rule 15c3-3) throughout the most recent fiscal year without exception.

Moody Securities, LLC's management is responsible for compliance with the provisions contemplated by Footnote 74 of SEC Release No. 34-70073 adopting amendments to 17 C.F.R. § 240.17a-5 and related SEC Staff Frequently Asked Questions 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 Moody Securities, 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 upon the Company's business activities contemplated by Footnote 74 of the SEC Release No. 34-70073 adopting amendments to 17 C.F.R. § 240.17a-5, and related SEC Staff Frequently Asked Questions.

Atlanta, Georgia  
February 28, 2024

*Frazier + Deeter, LLC*

**EXEMPTION REPORT  
MOODY SECURITIES, LLC  
Year ended December 31, 2023**

**Moody Securities, LLC's Exemption Report**

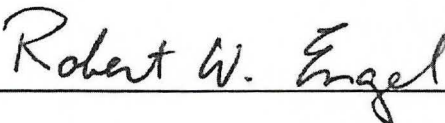
Moody Securities, LLC (the "Company") is a registered broker-dealer subject to Rule 17a-5 promulgated by the Securities and Exchange Commission (17 C.F.R. §240.17a-5, "Reports to be made by certain brokers and dealers"). This Exemption Report was prepared as required by 17 C.F.R. §240.17a-5(d)(1) and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


(1) The Company does not claim an exemption under paragraph (k) of 17 C.F.R. § 240.15c3-3, and

(2) The Company is filing this Exemption Report relying on Footnote 74 of the SEC Release No. 34-70073 adopting amendments to 17 C.F.R. § 240.17a-5 because the Company limits its business activities exclusively to: (1) private placement of securities; (2) broker or dealer selling tax shelters or limited partnerships in primary distributions; and (3) broker or dealer selling registered, non-listed Real Estate Investment Trusts ("REITs"), and the Company (1) did not directly or indirectly receive, hold, or otherwise owe funds or securities for or to customers, (other than money or other consideration received and promptly transmitted in compliance with paragraph (a) or (b)(2) of Rule 15c2-4 and/or funds received and promptly transmitted for effecting transactions via subscriptions on a subscription way basis where the funds are payable to the issuer or its agent and not to the Company); (2) did not carry accounts of or for customers; and (3) did not carry PAB accounts (as defined in Rule 15c3-3) throughout the most recent fiscal year without exception.

Moody Securities, LLC

I, Robert Engel, affirm that, to my best knowledge and belief, this Exemption Report is true and correct.

  
\_\_\_\_\_  
Signature

  
\_\_\_\_\_  
Title

February 23, 2024