

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

ANNUAL REPORTS  
FORM X-17A-5  
PART III

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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 01/01/21 AND ENDING 03/31/22  
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF FIRM: Melio Securities Company, 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.)

One Northfield Plaza Suite 3100

(No. and Street)

Northfield

Illinois

60093

(City)

(State)

(Zip Code)

PERSON TO CONTACT WITH REGARD TO THIS FILING

Mark T. Melio

847-441-2900

mark@meliocompany.com

(Name)

(Area Code - Telephone Number)

(Email Address)

B. ACCOUNTANT IDENTIFICATION

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

Sanville & Company

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

325 N. Saint Paul St., #3100 Dallas

TX

75201

(Address)

(City)

(State)

(Zip Code)

09/18/03

169

(Date of Registration with PCAOB)(if applicable)

(PCAOB Registration Number, if applicable)

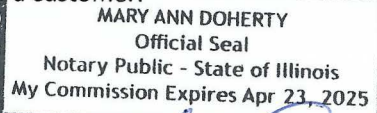
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\* Claims for exemption from the requirement that the annual reports be covered by the reports of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis of the exemption. See 17 CFR 240.17a-5(e)(1)(ii),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



Mary Ann Doherty  
Notary Public

Signature: [Signature]  
Title: MANAGING MEMBER

### 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.

**Melio Securities Company, LLC**

**Audited Financial Statements**

**For the Period Ended January 1, 2021 to March 31, 2022**

**Melio Securities Company, LLC**

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# Sanville & Company

CERTIFIED PUBLIC ACCOUNTANTS

ROBERT F. SANVILLE, CPA  
MICHAEL T. BARANOWSKY, CPA  
JOHN P. TOWNSEND, CPA  
NATHANIEL S. HARTGRAVES, CPA

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100 WALL STREET 8<sup>th</sup> FLOOR  
NEW YORK, NY 10005  
(212) 709-9512

## Report of Independent Registered Public Accounting Firm

To the Member of  
Melio Securities Company, LLC

### Opinion on the Financial Statements

We have audited the accompanying statement of financial condition of Melio Securities Company, LLC (the Company) as of March 31, 2022, and the related statements of operations, changes in member's equity and cash flows for the period ended January 1, 2021 through March 31, 2022, and the related notes to the financial statements (collectively, the financial statements). In our opinion, the financial statements presents fairly, in all material respects, the financial position of the Company as of March 31, 2022, and the results of its operations and its cash flows for the period from January 1, 2021 through March 31, 2022, 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 from 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 supplementary information contained in Schedule I, Computation of Net Capital Under Rule 15c3-1, Schedule II, Computation of Requirements Under Rule 15c3-3 (exemption) and Schedule III Information Relating to the Possession or Control Requirements Under Rule 15c3-3, all under the Rules of the Securities and Exchange

Commission have 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, Computation of Net Capital Under Rule 15c3-1, Schedule II, Computation of Requirements Under Rule 15c3-3 (exemption) and Schedule III Information Relating to the Possession or Control Requirements Under Rule 15c3-3, all under the Rules of the Securities and Exchange Commission are fairly stated, in all material respects, in relation to the financial statements as a whole.

*Sanville & Company*

This the initial year we have served as the Company's auditor.

Dallas, Texas  
June 13, 2022

**Melio Securities Company, LLC**  
**Statement of Financial Condition**  
**March 31, 2022**

<b>Assets</b>	
Cash	\$ 116,392
<b>Total Assets</b>	<b>\$ 116,392</b>
<b>Liabilities and Member's Equity</b>	
<b>Liabilities</b>	
Related party payable	\$ 35,091
<b>Total Liabilities</b>	<b>35,091</b>
<b>Member's Equity</b>	<b>81,301</b>
<b>Total Liabilities and Member's Equity</b>	<b>\$ 116,392</b>

*The accompanying notes are an integral part of these financial statements.*

**Melio Securities Company, LLC**  
**Statement of Operations**  
**For the Period Ended From January 1, 2021 to March 31, 2022**

<b>Revenues:</b>	
<b>Total Revenues</b>	<b>\$ -</b>
<b>Expenses:</b>	
General and administrative	\$ 3,105
Regulatory fees	6,223
Rent	5,250
<b>Total Operating Expenses</b>	<b>14,578</b>
<b>Net Loss</b>	<b>\$ <u>(14,578)</u></b>

*The accompanying notes are an integral part of these financial statements.*



**Melio Securities Company, LLC**  
**Statement of Changes in Member's Equity**  
**For the Period Ended From January 1, 2021 to March 31, 2022**

	<u>Total Member's Equity</u>
Balance at January 1, 2021	\$ 95,879
Net Loss	<u>(14,578)</u>
Balance at March 31, 2022	\$ <u>81,301</u>

*The accompanying notes are an integral part of these financial statements.*

**Melio Securities Company, LLC**  
**Statement of Cash Flows**  
**For the Period Ended From January 1, 2021 to March 31, 2022**

**Cash Flows From Operating Activities:**

Net loss	\$ (14,578)
Adjustments to reconcile net loss to net cash used in operating activities:	
Decrease in prepaid expenses	6,248
Decrease in accounts payable	(25)
Increase in related party payable	<u>8,355</u>
Net cash provided by operating activities	<u>-</u>
Net increase in cash	-
Cash at beginning of year	\$ <u>116,392</u>
Cash at end of year	\$ <u>116,392</u>

**Supplemental Disclosures of Cash Flow Information:**

Cash paid during the year for:

Interest	\$ <u>-</u>
Income taxes	\$ <u>-</u>

*The accompanying notes are an integral part of these financial statements.*

Melio Securities Company, LLC  
Notes to Financial Statements  
March 31, 2022

Note 1 - Nature of Operations

Melio Securities Company, LLC (the Company) is a broker-dealer registered with the Securities and Exchange Commission (SEC) and is a member of the Financial Industry Regulatory Authority (FINRA). The Company is an Illinois limited liability company organized in April 2009 and is a wholly owned subsidiary of Melio and Company, LLC. The Company is currently approved to serve as a placement agent on taxable and tax-exempt private placements, and supports clients with broad access to the taxable and tax-exempt debt and derivative capital markets.

Note 2 - Significant Accounting Policies

**Basis of Accounting**

The accompanying financial statements are prepared on the accrual method of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

**Use of Estimates**

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

**Revenue Recognition**

The Company provides advisory and transaction related services to its customers. The benefits of the Company's services are generally transferred to the Company's customers over time as the customers simultaneously receive and consume the benefits as the Company performs the service. The Company's contracts are usually cancellable by either party at any time and the considerations typically include retainer fees and success fees. Retainer fees are generally fixed and charged on a month-to-month basis recognized over the month in which the advisory services are performed. However, success fees are variable and subject to constraints, and are typically not recognized until there is a transaction completion date, due to the uncertainty associated with those events.

**Accounts Receivable**

The Company grants credit to its customers and generally requires no collateral. Accounts receivable are reported at their outstanding balances reduced by the allowance for doubtful accounts, if any.

The allowance for doubtful accounts is increased by charges to income and decreased by charge offs (net of recoveries). Management's periodic evaluation of the adequacy of the allowance is based on the Company's past collection experience, known and inherent risks of the customer comprising the Company's accounts receivable balance, adverse situations that may affect the customer's ability to pay, and the current economic conditions. Accounts receivable are charged off when management deems the accounts receivable balance to be uncollectible.

**Income Taxes**

The Company is a single member limited liability company, and, therefore, the Company's income is taxable to the member. Accordingly, no provision has been made for income taxes.

Melio Securities Company, LLC  
Notes to Financial Statements  
March 31, 2022

Note 2 - Net Capital Requirements

Pursuant to the net capital provisions of Rule 15c3-1 of the Securities Exchange Act of 1934, the Company is required to maintain a minimum net capital, as defined under such provisions. Net capital and the related net capital ratio may fluctuate on a daily basis. At March 31, 2022, the Company had net capital of approximately \$81,301 and net capital requirements of \$5,000. The Company's ratio of aggregate indebtedness to net capital was 0.4 to 1. The Securities and Exchange Commission permits a ratio of no greater than 15 to 1.

Note 3 - Related Parties

The Company has an expense sharing agreement with an affiliate through common ownership. The agreement calls for payments by the Company of \$557 per month for administrative, office and occupancy costs. Allocated expenses under this agreement for the period from January 1, 2021 to March 31, 2022 were \$8,355 and \$35,091 due to the affiliate as of March 31, 2022.



**Schedule I**  
**Melio Securities Company, LLC**  
**Supplemental Information**  
**Pursuant to Rule 17a-5**  
**March 31, 2022**

**Computation of Net Capital**

Total Member's equity qualified for net capital	\$ 81,301
Deductions / charges	
Non-allowable assets:	
Total deductions / charges	-
Net Capital before haircuts on securities positions	81,301
Haircuts on securities:	-
Net Capital	\$ 81,301
Aggregate indebtedness	
Related party payable	\$ 35,091
Total aggregate indebtedness	\$ 35,091
Computation of basic net capital requirement	
Minimum net capital required (greater of \$5,000 or 6 2/3% of aggregate indebtedness)	\$ 5,000
Net capital in excess of minimum requirement	\$ 76,301
Ratio of aggregate indebtedness to net capital	.4 to 1

**Reconciliation of Computation of Net Capital**

Net Capital per filed 3/31/2022 Focus IIA Report	52,329
Cash	15,000
Prepaid expenses	(6,248)
Related party payable	20,220
Net Capital per 3/31/2022 audit	81,301

**Schedule II & III**

**Melio Securities Company, LLC**

**Computation for Determination of Reserve Requirements and Information Relating  
to Possession or Control Requirements Under Rule 15c3-3 of the  
Securities and Exchange Commission  
March 31, 2022**

The Company is considered a "Non-Covered Firm" exempt from 15c3-3 by relying on footnote 74 to SEC Release 34-70073 and therefore, is not required to maintain a special reserve bank account for the exclusive benefit of customers.

# Sanville & Company

CERTIFIED PUBLIC ACCOUNTANTS

ROBERT F. SANVILLE, CPA  
MICHAEL T. BARANOWSKY, CPA  
JOHN P. TOWNSEND, CPA  
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100 WALL STREET 8<sup>th</sup> FLOOR  
NEW YORK, NY 10005  
(212) 709-9512

## Report of Independent Registered Public Accounting Firm

To the Members of  
Melio Securities Company, LLC

We have reviewed management's statements, included in the accompanying Exemption Report in which (1) Melio Securities Company, LLC (the "Company") identified that it is considered a "Non-Covered Firm" exempt from provisions of 17 C.F.R. §15c3-3 and is filing its Exemption Report relying on footnote 74 to SEC Release 34-70073, and as discussed in Q&A 8 of the related FAQ issued by the SEC staff. The Company limits its business activities exclusively to advising clients in connection with securities transactions made with relation to mergers and acquisitions, acting as a municipal securities broker and the private placement of securities. (2) 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; (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.

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 Melio Securities Company, 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 Rule 15c3-3 under the Securities Exchange Act of 1934.



Dallas, Texas  
June 13, 2022

## Melio Securities Company, LLC Exemption Report

Melio Securities Company, 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 is considered "Non-Covered Firm" exempt from 17 C.F.R. §240.15c3-3 and is filing an Exemption Report relying on footnote 74 to SEC Release 34-70073, and as discussed in Q&A 8 of the related FAQ issued by the SEC staff. The Company limits its business activities exclusively to: (1) acting as a municipal securities broker (2) the private placement of securities (3) will provide advisory services for mergers and acquisitions.
- (2) 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; (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.

I, Mark Melio, swear (or affirm) that, to my best knowledge and belief, this exemption report is true and correct.

Regards,



Mark Melio  
Managing Member

Date of Report: June 7, 2022