

ELMCORE SECURITIES LLC
FINANCIAL STATEMENTS
AND
ACCOMPANYING SUPPLEMENTARY INFORMATION

REPORT PURSUANT TO SEC RULE 17a-5(d)

FOR THE YEAR ENDED
DECEMBER 31, 2020

ELMCORE SECURITIES LLC

Table of Contents

	PAGE
SEC Form X-17A-5	1 - 2
Report of Independent Registered Public Accounting Firm	3
Statement of Financial Condition	4
Statement of Operations	5
Statement of Changes in Member's Equity	6
Statement of Cash Flows	7
Notes to Financial Statements	8 - 10
Supplementary Information	
Schedule I Statement of Net Capital	11
Schedule II Determination of Reserve Requirements	12
Schedule III Information Relating to Possession or Control	12
Assertions Regarding Exemption Provisions	13
Report of Independent Registered Public Accounting Firm	14

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

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

SEC FILE NUMBER
8-68946

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 01/01/20 AND ENDING 12/31/20
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Elmcore Securities LLC

OFFICIAL USE ONLY
FIRM I.D. NO.

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

500 W. Madison St., Suite 1000

(No. and Street)

Chicago

Illinois

60661

(City)

(State)

(Zip Code)

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

Felix Danciu (312) 488-4008

(Area Code – Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Brian W. Anson

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

18455 Burbank Blvd. #404

Tarzana

California

91356

(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, Felix Danciu, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Elmcore Securities LLC, as of December 31, 2020, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

Felix Danciu

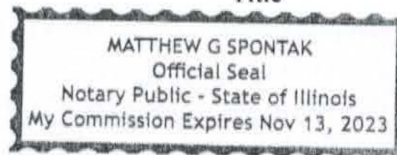
Signature

CEO

Title

Matthew G. Spontak

Notary Public



This report ** contains (check all applicable boxes):

- ☒ (a) Facing Page.
- ☒ (b) Statement of Financial Condition.
- ☒ (c) Statement of Income (Loss) or, if there is other comprehensive income in the period(s) presented, a Statement of Comprehensive Income (as defined in §210.1-02 of Regulation S-X).
- ☒ (d) Statement of Changes in Financial Condition.
- ☒ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- ☐ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☒ (g) Computation of Net Capital.
- ☒ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☒ (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- ☐ (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☐ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An Oath or Affirmation.
- ☐ (m) A copy of the SIPC Supplemental Report.
- ☐ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

***For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).*

BRIAN W. ANSON*Certified Public Accountant*

18455 Burbank Blvd., Suite 404, Tarzana, CA 91356 • Tel. (818) 636-5660 • Fax (818) 881-2605

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholder's and Board of Members of Elmcure Securities, LLC

Opinion on the Financial Statements

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

Basis for Opinion

These financial statements are the responsibility of Elmcure Securities, LLC's management. My responsibility is to express an opinion on Elmcure Securities, LLC's financial statements based on my audit. I am a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and am required to be independent with respect to Elmcure Securities, LLC in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

I conducted my audit in accordance with the standards of the PCAOB. Those standards require that I 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. My 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. My audit also included evaluating the accounting principles used and significant estimates made by management, as evaluating the overall presentation of the financial statements. I believe that my audit provides a reasonable basis for my opinion.

Auditor's Report on Supplemental Information

The information contained in Schedule I, II, and III ("Supplemental Information") has been subjected to audit procedures performed in conjunction with the audit of the Elmcure Securities, LLC's financial statements. The Supplemental Information is the responsibility of the Elmcure Securities, LLC's management. My 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 my opinion on the Supplemental Information, I evaluated whether the Supplemental Information, including its form and content is presented in conformity with 17 C.F.R. § 240.17a-5. In my opinion, Schedules I, II, and III are fairly stated, in all material respects, in relation to the financial statements taken as a whole.



Brian W. Anson, CPA

I have served as Elmcure Securities, LLC's auditor since 2013.

Tarzana, California

February 10, 2021

ELMCORE SECURITIES LLC

Statement of Financial Condition
December 31, 2020

ASSETS

Cash	\$	37,184
Accounts Receivable		75,460
Other Assets		<u>159</u>
Total Assets	\$	<u>112,803</u>

LIABILITIES AND MEMBER'S EQUITY

LIABILITIES

Accounts Payable	\$	1,774
Due to Related Party		<u>19,246</u>
Total Liabilities	\$	<u>21,020</u>

MEMBER'S EQUITY

Member's Equity	\$	<u>91,783</u>
Total Member's Equity	\$	<u>91,783</u>
Total Liabilities and Member's Equity	\$	<u>112,803</u>

ELMCORE SECURITIES LLC

Statement of Operations
For the Year Ended December 31, 2020

REVENUE:

Investment Banking Fees; M&A Advisory	\$ 223,658
Total Revenue	<u>223,658</u>

EXPENSES:

Salaries and Benefits	234,414
Occupancy and Equipment Expenses	37,792
Professional Service Fees	5,476
Travel and Entertainment	2,124
Research	11,369
Regulatory Fees	5,898
Promotional Fees	1,203
Technology, Data and Communication Costs	9,247
Other General and Administrative Expenses	842
Fees Paid to Third-Party Service Providers	90
Bad Debt	<u>131,000</u>
Total Expenses	<u>439,455</u>

NET LOSS	<u>\$ (215,797)</u>
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ELMCORE SECURITIES LLC

Statement of Changes in Member's Equity
For the Year Ended December 31, 2020

	Total Member's Equity
Beginning Balance December 31, 2019	\$ 167,580
Member Contribution	140,000
Member Distribution	0
Net Loss	(215,797)
Ending Balance December 31, 2020	\$ 91,783

ELMCORE SECURITIES LLC

Statement of Cash Flows For the Year Ended December 31, 2020

Operating Activities	
Net Loss	\$ (215,797)
Adjustments to reconcile net loss to net cash used in operating activities:	
Bad Debt	131,000
Accounts Receivable	(68,800)
Other Assets	480
Accounts Payable	(21,097)
Total Adjustments	<u>41,583</u>
Net Cash Used in Operating Activities	<u>(174,215)</u>
Financing Activities	
Member Contributions	140,000
Member Distributions	<u>0</u>
Net Cash Provided by Financing Activities	<u>140,000</u>
Decrease in Cash	(34,215)
Cash, Beginning of Year	<u>71,398</u>
Cash, End of Year	<u>\$ 37,184</u>

Supplemental Disclosure of Cash Flow Information

Cash Paid During the Year for:

Interest	0
Taxes	0

ELMCORE SECURITIES LLC

Notes to Financial Statements For the Year Ended December 31, 2020

Note 1: GENERAL AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General

Elmcore Securities LLC (the “Company”) was formed in May 2011 in the State of Nevada as a limited liability company. The Company is registered as a broker-dealer with the Securities and Exchange Commission (“SEC”) and is a member of the Financial Industry Regulatory Authority (“FINRA”) and Securities Investor Protection Corporation (“SIPC”). The Company is authorized to engage in private placements of securities and mergers and acquisitions. The Company does not hold customer funds or safeguard customer securities.

Elmcore Group Inc. is the sole member of the Company. The Chief Executive Manager of the Company is Felix Danciu, who owns a majority of the stock of Elmcore Group Inc.

Summary of Significant Accounting Policies

The presentation of 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 the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

The Company, with the consent of its member, has elected to be a limited liability company. For tax purposes, the Company is treated like a partnership; therefore, in lieu of business income taxes, the member is taxed on the Company’s taxable income. Accordingly, no provision or liability for Federal Income Taxes is included in these financial statements.

The Company is subject to audit by the taxing agencies for years ended December 31, 2017 through 2019.

The Company is engaged in various trading and brokerage activities in whose counterparties primarily include broker-dealers, banks, and other financial institutions. In the event counterparties do not fulfill their obligations, the Company may be exposed to risk. The risk of default depends upon the creditworthiness of the counterparty or issuer of the instrument. To mitigate the risk of loss, the Company maintains its accounts with credit worthy customers and counterparties.

ELMCORE SECURITIES LLC

Notes to Financial Statements For the Year Ended December 31, 2020

Note 1: GENERAL AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

FASB ASC 820 defines fair value, establishes a framework for measuring fair value, and establishes a fair value hierarchy which prioritizes the inputs to valuation techniques. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or liability or, in the absence of a principal market, is the most advantageous market for the asset or liability. Valuation techniques that are consistent with the market, income or cost approach, as specified by FASB ASC 820 are used to measure fair value.

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities the Company has the ability to access.

Level 2 inputs are inputs (other than quoted prices included within Level 1) that are observable for the asset or liability, either directly or indirectly.

Level 3 are unobservable inputs for the asset or liability and rely on management's own assumptions that market participants would use in pricing the asset or liability. (The unobservable inputs should be developed based on the best information available in the circumstances and may include the Company's own data.)

Warrants in the amount of \$11 are considered Level 3 inputs at December 31, 2020.

Management has reviewed the results of operations for the period of time from its year end December 31, 2020 through February 10, 2021, the date the financial statements were available to be issued, and have determined that no adjustments are necessary to the amounts reported in the accompanying financial statements nor have any subsequent events occurred, whereby the nature of which would require disclosure.

ASC 606 REVENUE RECOGNITION

Revenue

Significant Accounting Policy

Revenue is measured based on a consideration specified in a contract with a customer, and excludes any sales incentives and amounts collected on behalf of third parties. The Company recognizes revenue when it satisfied a performance obligation by transferring control over a product or service to a customer.

ELMCORE SECURITIES LLC

Notes to Financial Statements For the Year Ended December 31, 2020

Taxes and regulatory fees assessed by a government authority or agency that are both imposed on and concurrent with a specified revenue-producing transaction, that are collected by the Company from a customer, are excluded from revenue.

Nature of Services

The following is a description of activities – separated by reportable segments, per FINRA Form “Supplemental Statement of Income (SSOI)”, from which the Company generates its revenue. For more detailed information about reportable segments, see below.

Fees Earned: This includes fees earned from affiliated entities; investment banking fees, M&A advisory; account supervision and investment advisory fees; administrative fees, revenue from research services; rebates from exchanges/ECN and ATS; 12b-1 fees; mutual fund fees other than concessions or 12b-1 fees; execution service fees; clearing services; and, fees earned from customer bank sweep into FDIC insured products or from '40 Act companies and networking fees from '40 Act companies.

Note 2: COMMITMENTS AND CONTINGENCIES

The Company has an expense sharing agreement with its sole member, Elmc core Group Inc., and shares a proportional amount of the common expenses as outlined in its expense sharing agreement, as amended from time to time. The Company paid \$267,123 to its related parties for the year ended December 31, 2020. At December 31, 2020, the Company owed \$19,246 to Elmc core Group Inc. and was paid in January 2021.

Note 3: NET CAPITAL

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 ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1. Net capital and aggregate indebtedness change day to day, but on December 31, 2020 the Company had net capital of \$16,164, which was \$11,164 in excess of its required net capital of \$5,000; additionally, and the Company's ratio of aggregate indebtedness of \$21,020 to net capital was 1.30 to 1, which is less than the 15 to 1 maximum ratio allowed for a broker-dealer.

Note 4: COVID-19

The worldwide outbreak of coronavirus (COVID-19) may lead to an adverse impact on the financial markets and the overall economy. In the event such an impact was to occur and last for a sustained period of time, the operations and financial performance of the Company may be adversely affected. At this point, however, the severity of such an event is highly uncertain and cannot be predicted.

ELMCORE SECURITIES LLC

Schedule I
Statement of Net Capital
For the Year Ended December 31, 2020

	Focus 12/31/20	Audit 12/31/20	Change
Member's Equity, December 31, 2020	\$ 91,783	\$ 91,783	0
Less: Non-Allowable Assets:			
Other Assets	75,619	75,619	0
Tentative Net Capital	16,164	16,164	0
Haircuts	0	0	0
Net Capital	16,164	16,164	0
Minimum Net Capital	5,000	5,000	0
Excess Net Capital	11,164	11,164	0
Aggregate Indebtedness	\$ 21,020	\$ 21,020	0
Ratio of Aggregate Indebtedness to Net Capital	1.30	1.30	

There were no differences between the results of the Focus report and the audit at December 31, 2020.

ELMCORE SECURITIES LLC

Schedule II
Determination of Reserve Requirements
Under Rule 15c3-3(e) of the Securities and Exchange Commission
December 31, 2020

The Company has no reserve deposit obligations under SEC 15c3-3(e) because it is a “non-covered” firm pursuant to Footnote 74 to SEC Release 34-70073 and therefore is not subject to the Rule.

Schedule III
Information Relating to Possession or Control
Requirements Under Rule 15c3-3(b)
December 31, 2020

The Company has no possession or control obligations under SEC 15c3-3(b) because it is a “non-covered” firm pursuant to Footnote 74 to SEC Release 34-70073 and therefore is not subject to the Rule.

Assertions Regarding Exemption Provisions

I, as a member of management of Elmcure Securities LLC, a Nevada limited liability company (the “Company”), is responsible for compliance with the annual reporting requirements under Rule 17a-5 of the Securities Exchange Act of 1934. Those requirements compel a broker or dealer to file annual reports with the Securities Exchange Commission (SEC) and the broker’s or dealer’s designated examining authority (DEA). One of the reports to be included in the annual filing is an exemption report prepared by an independent public accountant based upon a review of assertions provided by the broker or dealer. Pursuant to that requirement, the management of the Company hereby makes the following assertions:

The Company is a “non-covered” firm pursuant to Footnote 74 to SEC Release 34-70073 and is therefore not subject to SEA Rule 15c3-3 for the most recent fiscal year ended December 31, 2020. The Company represents that it has not held customer funds or securities, did not carry accounts of or for customers and did not carry broker-dealer proprietary accounts as defined in Exchange Act Rule 15c3-3. The Company limits its business activities to merger and acquisition advisory services and private placements of securities as an agent.

The Company met the identified exemption provision without exception throughout the period ending January 1, 2020 through December 31, 2020.

Elmcure Securities LLC,
a Nevada limited liability company

By: _____



Felix Danciu, CEO

(Name and Title)

February 10, 2021

(Date)

BRIAN W. ANSON

Certified Public Accountant

18455 Burbank Blvd., Suite 404, Tarzana, CA 91356 • Tel. (818) 636-5660 • Fax (818) 881-2605

**REPORT OF INDEPENDENT REGISTERED PUBLIC
ACCOUNTING FIRM**

Board of Members
Elmcore Securities LLC
Chicago, Illinois

I have reviewed management's statements, included in the accompanying SEC Rule 15c3-3 Exemption Report in which Elmcore Securities LLC, stated that Elmcore Securities LLC's, business activities are limited to mergers and acquisitions advisory services and private placements of securities as an agent and that it has not held customer funds or securities and that Elmcore Securities LLC is classified as "non-covered" pursuant to footnote 74 to SEC Release 34-70073, dated July 30, 2013, and as discussed in Q & A 8 of the related FAQ issued by SEC state on April 4, 2014. Elmcore Securities LLC also stated that it had maintained compliance with the above declaration throughout the most recent fiscal year ended December 31, 2020, without exception. Elmcore Securities LLC's management is responsible for compliance and is not subject to the provisions set forth in Rule 15c3-3 under the Securities and Exchange Act of 1934 and its statements.

My 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 Elmcore Securities LLC's declaration concerning the provisions set forth in Rule 15c3-3 under the Securities Exchange Act of 1934. 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, I do not express such an opinion.

Based on my review, I am 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 Footnote 74 to SEC Release 34-70073.



Brian W. Anson
Certified Public Accountant
Tarzana, California
February 10, 2021