

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

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

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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 01/01/2017 AND ENDING 12/31/2017
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: MOSAIC CAPITAL LLC

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

OFFICIAL USE ONLY
FIRM I.D. NO.

(No. and Street)
NEW YORK NY 10012
(City) (State) (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT
MICHAEL T MARRONE 646-930-1906
(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

RICHEY MAY & CO LLP

(Name - if individual, state last, first, middle name)
9605 S KINGSTON COURT STREET 200 ENGELWOOD CO 80112
(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, RONALDO GONZALEZ, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of MOSAIC CAPITAL LLC, as of DECEMBER 31, 20 17, 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:

WILLIAM H. JOSEPH
Notary Public, State of New York
No. 02J05032555
Qualified in New York County
Commission Expires August 29, 19

7/28/2021

[Signature]
Signature
CEO
Title

[Signature]
Notary Public

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

- ☒ (a) Facing Page.
- ☒ (b) Statement of Financial Condition.
- ☐ (c) Statement of Income (Loss).
- ☐ (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).

MOSAIC CAPITAL LLC FORMERLY KNOWN AS (AOC SECURITIES, LLC)

**STATEMENT OF FINANCIAL CONDITION
REPORT OF INDEPENDENT PUBLIC FIRM**

DECEMBER 31, 2017

MOSAIC CAPITAL LLC FORMERLY KNOWN AS (AOC SECURITIES, LLC)

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Members of
Mosaic Capital LLC

Opinion on the Financial Statement

We have audited the accompanying statement of financial condition of Mosaic Capital LLC as of December 31, 2017, and the related notes (collectively referred to as the financial statement). In our opinion, the statement of financial condition presents fairly, in all material respects, the financial position of Mosaic Capital LLC as of December 31, 2017 in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

This financial statement is the responsibility of Mosaic Capital LLC's management. Our responsibility is to express an opinion on Mosaic Capital LLC's financial statement 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 Mosaic Capital 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.

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 statement is free of material misstatement, whether due to error or fraud. Our audit included performing procedures to assess the risks of material misstatement of the financial statement, 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.

Richey May & Co.

We have served as Mosaic Capital LLC's auditor since 2015.

Englewood, Colorado

February 28, 2018

MOSAIC CAPITAL LLC FORMERLY KNOWN AS (AOC SECURITIES, LLC)
STATEMENT OF FINANCIAL CONDITION
DECEMBER 31, 2017

ASSETS

ASSETS

Cash	\$	26,890
Due from clearing account		287,251
Other receivables		6,445
Property and equipment, net		26,324
Security deposit		6,900
Prepaid expenses		<u>2,743</u>
 TOTAL ASSETS	 \$	 <u><u>356,553</u></u>

LIABILITIES AND MEMBERS' EQUITY

LIABILITIES

Accounts payable	\$	129,265
Accrued expenses		18,195
Accrued clearing costs		15,000
Payroll liabilities payable		7,515
Other payables		<u>6,495</u>
 TOTAL LIABILITIES		 176,470

MEMBERS' EQUITY

TOTAL LIABILITIES AND MEMBERS' EQUITY

<u>180,083</u>
 \$ <u><u>356,553</u></u>

The accompanying notes are an integral part of this financial statement.

MOSAIC CAPITAL LLC FORMERLY KNOWN AS (AOC SECURITIES, LLC)
NOTES TO FINANCIAL STATEMENT
DECEMBER 31, 2017

Note 1 - Organization

AOC Securities, LLC (the "Company") is a broker-dealer registered with the United States Securities and Exchange Commission ("SEC") and is a member of the Financial Industry Regulatory Authority ("FINRA"). The Company was founded in January 18, 2012 under the laws of the State of Delaware. The Company engages in a general securities business with institutional investors. The Company is exempt from Rule 15c3-3 of the SEC under paragraph (k)(2)(ii) of that rule. On 15th of June 2017 AOC Securities, LLC changed its name to Mosaic Capital LLC (the "Company").

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation

The accompanying financial statements are presented in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Revenue Recognition

The Company records securities transactions, and related profit and loss arising from such transactions, on a trade-date basis. Commission revenue and related expenses are recorded on a trade-date basis. The revenue and expense from such transactions would not be materially different if reported on a settlement-date basis.

The Company considers all fees receivable at December 31, 2017 to be collectible and no allowance for doubtful accounts is deemed necessary at December 31, 2017.

Income Taxes

The Company had elected to be taxed as a partnership, under the Internal Revenue Code. Accordingly, no federal income tax provision and state income taxes, to the extent possible, have been recorded in the financial statements, as all items of income and expense generated by the Company are reported on the members' personal income tax returns. The Company's open tax years subject to examination by taxing authorities includes the years 2014, 2015, and 2016. The Company has no federal or state tax examinations in process as of December 31, 2017.

Use of Estimates

The preparation 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

The accompanying notes are an integral part of this financial statement.

MOSAIC CAPITAL LLC FORMERLY KNOWN AS (AOC SECURITIES LLC)
NOTES TO FINANCIAL STATEMENT
DECEMBER 31, 2017

Note 2 - Summary of Significant Accounting Policies (continue)

Cash and Cash Equivalents

Cash and cash equivalents consist of cash held at a major financial institution.

At times, cash balances may exceed insured limits. The Company has not experienced any losses in such accounts. The Company considers all highly liquid instruments purchased with a maturity date of three months or less with purchased to be cash equivalents.

The Company maintains its cash balances in one financial institution. These balances are insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000.

Note 3 - Concentrations

The Company maintains cash balances in one financial institution, which are insured by the Federal Deposit Insurance Corporation (FDIC) for up to \$250,000 per institution. From time to time, the Company's balances may exceed these limits.

Note 4 - Net Capital Requirements

The Company is subject to the SEC Uniform Net Capital Rule (Rule 15c3-1) which requires the maintenance of a minimum net capital, as defined, of the greater of \$100,000 or one-fifteenth of aggregate indebtedness, as defined. At December 31, 2017, the Company had net capital of \$144,116, which exceeded its requirement by \$44,116. Additionally, the Company must maintain a ratio of aggregate indebtedness to net capital of 15:1 or less. At December 31, 2017, this ratio was 1.2245 to 1.

The Company is exempt from the provisions of Rule 15c3-3 of the SEC since the Company's activities are limited to those set forth in the conditions for exemption pursuant to subsection k(2)(ii) of the Rule.

Note 5 - Subsequent Events

The Company has evaluated all events or transactions that occurred after December 31, 2017 through the date of this financial statements, which is the date that the financial statement was available to be issued. During this period, there were no material subsequent events requiring disclosure.

The accompanying notes are an integral part of this financial statement.