

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

Public Copy

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

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| OMB APPROVAL |
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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 01/01/20 AND ENDING 12/31/20
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: ST Invest LLC dba Trade App

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

9901 IH 10 W SUITE 8035

OFFICIAL USE ONLY

FIRM I.D. NO.

(No. and Street)

San Antonio

Texas

78230

(City)

(State)

(Zip Code)

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

Scott P. Tarra

(949) 338-8192

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Alvarez & Associates, Inc.

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

9221 Corbin Avenue, Suite 165

Northridge

California

91324

(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

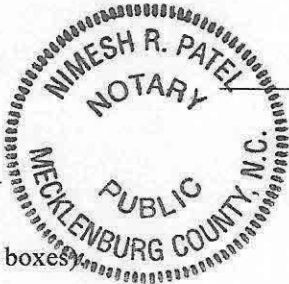
*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

OATH OR AFFIRMATION

I, Scott P. Tarra, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of ST Invest LLC dba Trade App, as of March 26th, 2021, 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:

Signature

FINOP / PFO / POO
Title



Nimesh R. Patel
Notary Public

Commission Exp 11/7/24

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).

ST Invest LLC dba Trade App

FINANCIAL STATEMENTS

For the Year Ended December 31, 2020

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ALVAREZ & ASSOCIATES, INC CERTIFIED PUBLIC ACCOUNTANTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To Those Charged with Governance and the Member of ST Invest LLC dba Trade App:

Opinion on the Financial Statement

We have audited the accompanying statement of financial condition of ST Invest LLC dba Trade App (the "Company") as of December 31, 2020, 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 the Company as of December 31, 2020 in conformity with accounting principles generally accepted in the United States of America.

Substantial Doubt About the Company's Ability to Continue as a Going Concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 4 to the financial statements, the Company has suffered losses from operations and cash outflows from operating activities that raises substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 4. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinion

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

Alvarez & Associates, Inc.

We have served as the Company's auditor since 2020.
Northridge, California
March 24, 2021



ST Invest LLC dba Trade App
STATEMENT OF FINANCIAL CONDITION
As of December 31, 2020

ASSETS

| | |
|-------------------------------|-------------------|
| Cash | \$ 159,732 |
| Deposits with clearing broker | 100,177 |
| Fixed Assets, net | 1,649 |
| Intangible Asset, net | 1,196 |
| Other Assets | 882 |
| TOTAL ASSETS | <u>\$ 263,636</u> |

LIABILITIES AND MEMBER'S EQUITY

LIABILITIES

| | |
|------------------------|---------------|
| Due to clearing broker | \$ 11,956 |
| TOTAL LIABILITIES | <u>11,956</u> |

Commitments and Contingencies (See Note 11)

MEMBER'S EQUITY

| | |
|---------------------------------------|-------------------|
| Member's Equity | <u>251,680</u> |
| TOTAL MEMBER'S EQUITY | <u>251,680</u> |
| TOTAL LIABILITIES AND MEMBER'S EQUITY | <u>\$ 263,636</u> |

(The accompanying notes are an integral part of these financial statements)

ST Invest LLC dba Trade App
NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2020

NOTE 1 - Organization

ST Invest LLC (the "Company") is a New York Limited Liability Company formed on May 9, 2018. The Company became a registered broker-dealer under the Securities Exchange Act of 1934, on February 28, 2019. The Company is a member of the Financial Industry Regulatory Authority ("FINRA"), and the Securities Investor Protection Corporation ("SIPC").

The Company plans to conduct the following types of business: (1) broker or dealer retailing corporate equity securities over-the-counter; (2) non-exchange member arranging for transactions in listed securities by exchange member. Although the Company does not currently earn revenue from its securities business, it does receive and record revenue from funds held in its money market account.

The Company is a wholly-owned subsidiary of Stocktwits, Inc. ("Parent").

NOTE 2 - Recently Issued Accounting Pronouncements

The Financial Accounting Standards Board (the "FASB") has established the Accounting Standards Codification ("Codification" or "ASC") as the authoritative source of generally accepted accounting principles ("GAAP") recognized by the FASB. The principles embodied in the Codification are to be applied by nongovernmental entities in the preparation of financial statements in accordance with GAAP in the United States. New accounting pronouncements are incorporated into the ASC through the issuance of Accounting Standards Updates ("ASUs").

For the year ending December 31, 2020, various ASUs issued by the FASB were either newly issued or had effective implementation dates that would require their provisions to be reflected in the financial statements for the year then ended. The Company has either evaluated or is currently evaluating the implications, if any, of each of these pronouncements and the possible impact they may have on the Company's financial statements. In most cases, management has determined that the pronouncement has either limited or no application to the Company and, in all cases, implementation would not have a material impact on the financial statements taken as a whole.

NOTE 3 - COVID-19 Impact

Management is currently evaluating the COVID-19 pandemic and its impact on the financial services industry and has concluded that while it is reasonably possible that the virus could have a negative effect on the Company's operations, the specific impact is not readily determinable as of the date of these financial statements. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

NOTE 4 - Summary of Significant Accounting Policies

Basis of preparation – Going concern

Accounting Standards Codification (ASC) Topic 205-40, Presentation of Financial Statements - Going Concern (ASC 205-40), requires management to assess the ability of the Company to continue as a going concern for one year after the date the financial statements are issued. As required by this standard, management's evaluation shall initially not take into consideration the potential mitigating effects of management's plans that have not been fully implemented as of the date the financial statements are issued.

The Company is subject to a number of risks similar to those of other early stage fintech consumer technology companies, including our dependence on key individuals, uncertainty of product development and generation of revenues and positive cash flow, dependence on outside sources of capital, risks associated with research, development, testing, and competition against well-funded competitors. The attainment of profitable operations is dependent on future events, including obtaining adequate financing to support the Company's growth and operating activities and generating a level of revenues adequate to support the cost structure.

The Company has experienced net losses and net cash outflows in operating activities since its incorporation. In 2020, the Company had net losses of \$2.7 million and net cash outflows from operating activities of \$2.7 million. The Company expects to continue to incur net losses and have cash outflows for at least the next 12 months. The Company is dependent on its parent company to support its financing needs. The parent company itself is currently experiencing losses and negative operating cash flow and expects to continue to have net cash outflows for the next 12 months.

ST Invest LLC dba Trade App
NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2020

NOTE 4 - Continued

Management has evaluated the significance of the conditions described above in relation to the Company's ability to meet its obligations and concluded that, without additional funding or giving consideration to potential mitigating plans, the conditions raise substantial doubt about its ability to continue as a going concern. Management continues to closely monitor liquidity and plans to continue funding operations by reducing expenses and raising additional capital at the parent company, there is no assurance that management's plans will be successful.

The accompanying financial statements are prepared on a standalone single-entity basis and have been prepared on a going-concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The accompanying financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts and classification of liabilities that may result from uncertainty related to the Company's ability to continue as a going concern.

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 the disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates as provided per monthly percentage allocations as reflected on the Company's Expense Sharing Agreement with its Parent. The Company estimates the percentage of expenses allocable from the Parent on a monthly basis; primarily related to compensation, stock-based compensation, and technology, data and communication costs. The Company considered numerous objective and subjective factors in determining the amount of the Company's expenses. The Company believes this to have been a reasonable methodology based on previous transactions involving the Company's ongoing monthly expenses.

Cash and Cash Equivalents

The Company considers all highly liquid temporary cash investments with an original maturity of three months or less when purchased, to be cash equivalents including any balance held in money market accounts.

Fixed Assets

Fixed assets are stated at cost. Repairs and maintenance to these assets are charged to expense as incurred; major improvements enhancing the function and/or useful life are capitalized and depreciated using the straight-line method. When items are sold or retired, the related cost and accumulated depreciation are removed from the accounts and any gains or losses arising from such transactions are recognized.

Advertising Costs

Advertising costs are expensed as incurred.

NOTE 5 - Related Party Transactions

The Company has entered into an expense sharing agreement with Stocktwits, Inc. ("Stocktwits"), its parent company, effective February 27, 2019. The terms of this agreement stipulate that Stocktwits provides for certain operating expenses and other specific business expenses. The overhead expenses incurred by the Company each month based on an allocation schedule are waived by Stocktwits in the form of a Written Consent of Acceptance of Additional Capital Contribution and are generally considered to be non-cash capital contributions. Overhead expenses, as defined by the agreement, shall include specific operating costs incurred in the ordinary course of business. From January 1, 2020 to December 31, 2020, \$1,996,307 of expenses was recorded in accordance with the expense sharing agreement. It is possible that the terms of certain of the related party transactions are not the same as those that would result for transactions among wholly unrelated parties.

ST Invest LLC dba Trade App
NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2020

NOTE 6 - Deposit with Clearing Broker

Pursuant to the clearing agreement with Apex Clearing ("Clearing Broker"), the Company introduces all of its securities transactions to the clearing broker on a fully disclosed basis. The Clearing Broker has custody of the Company's cash balances which serve as collateral for any amounts due to the Clearing Broker. The clearing deposit balance at December 31, 2020 was \$100,177.

NOTE 7 - Due From Clearing Broker (Or Clearing Receivable or Receivable from Clearing Broker)

The Company has a brokerage agreement with Apex Clearing ("Clearing Broker") to carry its account and the accounts of its clients as customers of the Clearing Broker. Pursuant to the clearing agreement, the Company introduces all of its customers' securities transactions to its Clearing Broker on a fully disclosed basis. Customers' money balances and security positions are carried on the books of the Clearing Broker. In accordance with the clearance agreement, the Company has agreed to indemnify the Clearing Broker for losses, if any, which the clearing broker may sustain from carrying securities transactions introduced by the Company. In accordance with industry practice and regulatory requirements, the Company, and the Clearing Broker monitor collateral on the customers' accounts. As of December 31, 2020, a payable to the Clearing Broker of \$11,956 was pursuant to this clearance agreement.

NOTE 8 - Operating Lease

On January 1, 2019 the Company adopted the provisions of ASU 2016-02, Leases (Topic 842), which superseded the existing guidance for lease accounting. ASU 2016-02 requires a modified retrospective approach for all leases existing at, or entered into after, the date of initial application. The Company evaluated its existing vendor agreements, including its expense sharing agreement for the recognition criteria under this guidance. It was determined that as of January 1, or during the year ended December 31, 2020 no agreements or arrangements existed that met the criteria to be classified as a lease under the adopted guidance.

NOTE 9 - Fair Value Measurements

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 transfer the liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market. 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 Quoted prices in an active market for identical assets or liabilities.

Level 2 Observable inputs other than Level 1, quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets and liabilities in markets that are not active, and model derived prices whose inputs are observable or whose significant value drivers are observable

Level 3 Assets and liabilities whose significant value drivers are unobservable.

(The unobservable inputs should be developed based on the best information available in the circumstances and may include the Company's own data.)

At December 31, 2020, certain financial instruments on the Statement of Financial Condition are carried at amounts that approximate fair value due to their short-term nature and generally negligible credit risk. These instruments include cash, deposits with and receivables from Brokers and Dealers, and accrued expenses and other liabilities and are placed in Level 2 of the fair value hierarchy measured at what the Company approximates to be their fair value. There are no Level 3 financial instruments, nor transfers between levels during the year.

ST Invest LLC dba Trade App
NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2020

NOTE 10 - Net Capital Requirement

The Company is a registered broker-dealer and is subject to the SEC's Uniform Net Capital Rule 15c3-1. This requires that the Company maintain minimum net capital of \$5,000 and also requires that the ratio of aggregate indebtedness, as defined, to net capital, shall not exceed 10 to 1 (and the rule of the "applicable" exchange also provides that equity capital may not be withdrawn or cash dividends paid if the resulting net capital ratio would exceed 10 to 1).

As of December 31, 2020, the Company had net capital of \$247,953 which was \$242,953 in excess of its required net capital of \$5,000; and the Company's ratio of aggregate indebtedness (\$11,956) to net capital ratio was 0.05 to 1.

Advances, dividend payments and other equity withdrawals are restricted by the regulations of the SEC, and other regulatory agencies are subject to certain notification and other provisions of the net capital rules of the SEC.

The Company qualifies under the exemptive provisions of Rule 15c3-3 under Section (k)(2)(ii) as the Company does not carry security accounts for customers or perform custodial functions related to customer securities.

NOTE 11 - Commitments and Contingencies

The Company has no commitments or contingent liabilities as December 31, 2020.

NOTE 12 - Income Taxes

The Company is a wholly owned, disregarded entity of Stocktwits, a corporation. The Company has not elected to be treated as a corporation for tax purposes. The tax obligations of the Company are passed through to its owner and are not the responsibility of the single member LLC. Because the potential provision is not expected to have a material impact on the reported financials, and because the Company has no commitments to fund the tax liability at the Parent level (or receive any tax benefit from parent), and no tax sharing agreement with Parent is in place, management is making a policy decision to not be providing for an income tax provision on the financials for the period ended December 31, 2020.

NOTE 13 - Subsequent Events

The Company has evaluated events subsequent to the statement of financial condition date for items requiring recording or disclosure in the financial statements. The evaluation was performed through the date the financial statements were available to be issued. Based upon this review, the Company has determined that there were no events which took place that would have a material impact on its financial statements.