

# **STRONG CAPITAL MARKETS, LLC**

## **STATEMENT OF FINANCIAL CONDITION**

**DECEMBER 31, 2023**

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 01/01/2023 AND ENDING 12/31/2023  
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF FIRM: Strong Capital Markets, 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.)

1266 East Main Street

(No. and Street)

Stamford

CT

06902

(City)

(State)

(Zip Code)

PERSON TO CONTACT WITH REGARD TO THIS FILING

Gordon Armstrong

475 477 9601

gordon.armstrong@strongcapitalmarkets.com

(Name)

(Area Code – Telephone Number)

(Email Address)

B. ACCOUNTANT IDENTIFICATION

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

Michael Coglianese CPA, P.C.

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

125 E. lake Street, Suite 303 Bloomingdale

IL

60108

(Address)

(City)

(State)

(Zip Code)

10-20-2009

3874

(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, Gordon Armstrong, swear (or affirm) that, to the best of my knowledge and belief, the financial report pertaining to the firm of Strong Capital Markets 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: Gordon J. Armstrong

Title: President

[Signature]  
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.

# **STRONG CAPITAL MARKETS, LLC**

**DECEMBER 31, 2023**

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## **Report of Independent Registered Public Accounting Firm**

To the Member of Strong Capital Markets, LLC

### **Opinion on the Financial Statement**

We have audited the accompanying statement of financial condition of Strong Capital Markets, LLC as of December 31, 2023, 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 Strong Capital Markets, LLC as of December 31, 2023 in conformity with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

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

We have served as Strong Capital Markets, LLC's auditor since 2022.

*Michael Coglianese CPA, P.C.*

Bloomington, IL  
March 13, 2024

# STRONG CAPITAL MARKETS, LLC

## STATEMENT OF FINANCIAL CONDITION

DECEMBER 31, 2023

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### ASSETS

Cash	\$ 91,709
Prepaid expenses	13,331
Other assets	<u>2,418</u>
<b>Total assets</b>	<b><u>\$ 107,458</u></b>

### LIABILITIES AND MEMBER'S EQUITY

#### Liabilities:

Accounts payable and accrued expenses	<u>\$ 13,233</u>
<b>Total liabilities</b>	<b>13,233</b>

Member's equity	<u>94,225</u>
<b>Total liabilities and member's equity</b>	<b><u>\$ 107,458</u></b>

# **STRONG CAPITAL MARKETS, LLC**

## **NOTES TO THE FINANCIAL STATEMENT**

**DECEMBER 31, 2023**

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### **1. ORGANIZATION AND DESCRIPTION OF BUSINESS**

Strong Capital Markets, LLC (the "Company") is wholly-owned by Strong Capital Holdings Company, LLC (the "Member"). The Company was organized on March 2, 2021 as a Delaware limited liability company and is registered to do business in Connecticut as a foreign limited liability company. The Company is a registered broker-dealer under the Securities Exchange Act of 1934 and is a member of both the Financial Industry Regulatory Authority, Inc. ("FINRA") and the Securities Investors Protection Corporation ("SIPC") as of March 2, 2022. The operating agreement provides for the limited liability company to exist in perpetuity. The member's limit on liability is based on the relevant state law. The Company renders financial advisory services to selected clients with respect to capital raising, private placements, business restructurings and other financial services.

The Firm does not claim an exemption from SEA Rule 15c3-3, in reliance on footnote 74 to SEC Release 34-70073, and as discussed in Q&A 8 of the related FAQ issued by SEC staff. The Firm has represented that it does not and will not, (1) directly or indirectly receive, hold, or otherwise owe funds or securities for or to customers, (2) does not and will not carry accounts of or for customers and (3) does not and will not carry PAB accounts.

On August 28, 2023, FINRA granted an approval to the Company to expand business activities to include underwriting and introduced trading transactions. Accordingly, the Company's minimum net capital requirement increased from \$5,000 to \$100,000. As of December 31<sup>st</sup>, 2023 additional business activities had not yet commenced.

### **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### ***Basis of presentation***

The accompanying financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

#### ***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.

#### ***Revenue recognition***

In accordance with ASU No. 2014-09, "Revenue from Contracts with Customers" ("ASC Topic 606") the performance obligations of the contract must first be identified. The Company evaluates all the services included in the contract to determine the performance obligations.

# STRONG CAPITAL MARKETS, LLC

## NOTES TO THE FINANCIAL STATEMENT

DECEMBER 31, 2023

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

#### ***Revenue recognition (continued)***

Management applies judgement to determine which services are capable of being distinct and which are separately identifiable within the context of the contract.

Revenue from contracts with customers is recognized when, or as, the Company satisfies its performance obligations by transferring the promised services to the customers. A service is transferred to a customer when, or as, the customer obtains control of that service. A performance obligation may be satisfied at a point in time or over time. Revenue from a performance obligation satisfied at a point in time is recognized at the point in time that the Company determines the customer obtains control over the promised service. Revenue from a performance obligation satisfied over time is recognized by measuring the Company's progress in satisfying the performance obligation in a manner that depicts the transfer of the services to the customer. The amount of revenue recognized reflects the consideration the Company expects to receive in exchange for those promised services (i.e., the "transaction price"). In determining the transaction price, the Company considers multiple factors, including the effects of variable consideration, if any.

Revenue from investment banking advisory services is recognized when the services are rendered and related expenses are recorded when incurred. Deal fees are recorded when earned and related expenses are recorded when incurred. Investment banking revenues consist of advisory services/corporate finance activities including mergers and acquisitions, reorganizations, tender offers, leveraged buyouts and fundraising activities. These investment banking revenues are received based on contractual terms.

The Company's engagement agreements contain nonrefundable retainer fees ("retainer fees") which are due and payable pursuant to the terms of the agreement and/or success fees, which may be fixed or represent a percentage of value that the customer received when the corporate finance activity is completed ("success fees"). The retainer fees or other milestone fees may reduce any success fee subsequently invoiced and received upon the completion of the corporate finance activity. The Company has evaluated its nonrefundable retainer payments to ensure its fee related to the transfer of a good or service, as a distinct performance obligation, in exchange for the retainer. If a promised good or service is not distinct, the Company combines that good or service with the other promised goods or services until it identifies a bundle of goods or services that is distinct. In some cases, that would result in the broker-dealer accounting for all the services promised in a contract as a single performance obligation and the retainer revenue is classified as deferred revenue on the Statement of Financial Condition. As of December 31, 2023, there was no retainer revenue classified as deferred revenue.



# **STRONG CAPITAL MARKETS, LLC**

## **NOTES TO THE FINANCIAL STATEMENT**

**DECEMBER 31, 2023**

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### **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(continued)*

#### ***Accounts Receivable***

Accounts receivable, which generally represent unsecured customer obligations due under normal trade terms generally requiring payment within 30 days from the invoice date, are stated at the amount billed to the customer. Interest is not charged for receivables unpaid after the expiration of normal terms. Customer account balances with invoices over 90 days old are considered to be delinquent. As of December 31, 2023, the Company did not have receivables from contracts with customers.

#### ***Credit Losses***

ASC 326, Financial Instruments – Credit Losses (“ASC 326”) impacts the impairment model for certain financial assets by requiring a current expected credit loss (“CECL”) methodology to estimate expected credit losses over the entire life of the financial asset. Under ASC 326, the Company has the ability to determine that there are no expected credit losses in certain circumstances (e.g., based on the credit quality of the customer).

#### ***Income taxes***

As a wholly-owned limited liability company, the Company is considered to be a disregarded entity for tax reporting purposes and is thus not subject to Federal, state or local income taxes and does not file income tax returns in any jurisdiction. All items of income, expense, gains and losses are reportable by the Member for tax purposes. The Company has no unrecognized tax benefits at December 31, 2023.

#### ***Uncertain tax positions***

The Company applies the provisions of ASC 740, “Income Taxes”, as they relate to uncertain tax positions. The Company was not required to recognize any amounts from uncertain tax positions at December 31, 2023.

The Company's conclusions regarding uncertain tax positions may be subject to review and adjustment at a later date based upon ongoing analyses of tax laws, regulations and interpretations thereof as well as other factors. In the event that tax authorities assess interest and penalties on unrecognized tax benefits, the Company will reflect such amounts in tax expense and income taxes payable.

#### ***Leases***

In accordance with ASC 842, Leases (“ASC 842”), the Company accounts for its existing operating lease as an operating lease using the practical expedients permitted under ASC Topic 842. The Company defines a short-term lease as a lease that, at the commencement date, has a lease term of 12 months or less and does not contain an option to purchase the underlying asset that the lease is reasonably certain to exercise.

# **STRONG CAPITAL MARKETS, LLC**

## **NOTES TO THE FINANCIAL STATEMENT**

**DECEMBER 31, 2023**

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### **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(continued)*

#### ***Leases*** *(continued)*

The Company elected to recognize short-term lease payments as an expense on a straight-line basis over the lease term. Related variable lease payments are recognized in the period in which the obligation is incurred. As of May 2023, the Company has entered into a lease agreement for office space on a month-to-month basis. The lease is renewed monthly upon receipt of payment per the terms of the agreement. Accordingly, the Company's lease obligations are deemed to be short term.

### **3. CONCENTRATION OF CREDIT RISK**

The Company's cash deposits are held by one financial institution and therefore, are subject to credit risk to the extent those balances exceeded the Federal Deposit Insurance Corporation ("FDIC") insurance limit of \$250,000. The Company has not experienced any losses in such accounts and does not believe it is exposed to any significant credit risk on cash.

As of December 31, 2023, three customers accounted for 88% of total revenues.

### **4. RELATED PARTY TRANSACTIONS**

The Company has a receivable balance of \$1,950 as of December 31<sup>st</sup>, 2023, from its parent company, Strong Capital Holdings. The balance represents payments made by the Company on behalf of the parent for outside services performed at the parent level. Accordingly, expenses pertaining to the parent were not recorded on the Company level.

On July 1<sup>st</sup> a receivable balance from Strong Capital Holdings in the amount of \$46,112 was converted to a non-cash capital contribution via Written Consent of the Shareholder.

### **5. NET CAPITAL REQUIREMENTS**

The Company is subject to the uniform net capital requirements of Rule 15c3-1 ("The Rule") of the Securities and Exchange Act, as amended, which requires the Company to maintain, at all times, sufficient liquid assets to cover indebtedness. In accordance with the Rule, the Company is required to maintain defined minimum net capital of the greater of \$100,000 or 12 1/2% of aggregate indebtedness.

At December 31, 2023, the Company had net capital, as defined, of \$78,476, which was below the required minimum net capital of \$100,000 by \$21,524. Aggregate indebtedness at December 31, 2023 totaled \$13,233. The Company's percentage of aggregate indebtedness to net capital was 16.86%.

# **STRONG CAPITAL MARKETS, LLC**

## **NOTES TO THE FINANCIAL STATEMENT**

**DECEMBER 31, 2023**

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### **5. NET CAPITAL REQUIREMENTS *(continued)***

It is the intention of the member to continue to support and operate the Company for the twelve-month period from the date that these financial statements are issued and contribute the necessary capital to maintain the operations, fund its ongoing expenses and meet the net capital requirements of the SEC's Uniform Net Capital Rule.

### **6. GOING CONCERN**

The Company is subject to risks and uncertainties that could affect amounts reported in the Company's financial statement in future periods. The Company has operated with recurring losses and related negative cash flows. As of December 31<sup>st</sup>, 2023, the Company's cash balance was \$91,709. Management has expressed their commitment and ability to raise capital to ensure net capital compliance is maintained.

### **7. SUBSEQUENT EVENTS**

Management of the Company has evaluated events and transactions that have occurred through March 13, 2024, the date these financial statements were available to be issued. Management notes that on January 11<sup>th</sup>, 2024, a capital contribution of \$75,000 was made bringing the Company into compliance with the net capital requirements of Rule 15c3-1.

On January 11<sup>th</sup>, 2024, the Company had net capital, as defined, of \$140,205, which exceeded the required minimum net capital of \$100,000 by \$40,205. Aggregate indebtedness at January 11<sup>th</sup>, 2024, totaled \$11,878. The Company's percentage of aggregate indebtedness to net capital was 8.41%.