

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

ANNUAL REPORTS  
FORM X-17A-5  
PART III

OMB APPROVAL
OMB Number: 3235-0123
Expires: Nov. 30, 2026
Estimated average burden hours per response: 12
SEC FILE NUMBER
8-70771

FACING PAGE

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: Paralel Distributors 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.)

1700 Broadway, Suite 1850

(No. and Street)

Denver

CO

80212

(City)

(State)

(Zip Code)

PERSON TO CONTACT WITH REGARD TO THIS FILING

Bradley Swenson

303-378-0364

brad@paralel.com

(Name)

(Area Code – Telephone Number)

(Email Address)

B. ACCOUNTANT IDENTIFICATION

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

Forvis, LLP

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

910 E. St. Louis Street, Suite 400

Springfield

MO

65806

(Address)

(City)

(State)

(Zip Code)

10/16/2003

686

(Date of Registration with PCAOB)(if applicable)

(PCAOB Registration Number, if applicable)

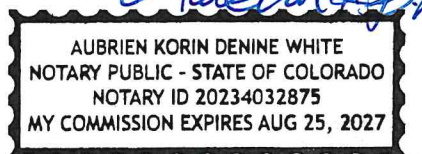
FOR OFFICIAL USE ONLY

\* 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, Bradley Swenson, swear (or affirm) that, to the best of my knowledge and belief, the financial report pertaining to the firm of Paralel Distributors 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.



Notary Public

Signature: 

Title: President & CCO

### 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.

**Paralel Distributors LLC**

---

**Financial Statement  
As of and For the Year Ended December 31, 2023  
Together with Report of Independent Public Accounting Firm**

**This report is deemed PUBLIC in accordance with Rule 17a-5(e)(3)  
under the Securities Exchange Act of 1934.**

## **Paralel Distributors LLC**

For the Year Ended December 31, 2023

---

### **Contents**

#### **Financial Statement**

Report of Independent Registered Public Accounting Firm	1
Statement of Financial Condition	2
Notes to Financial Statement	3 - 6



1801 California Street, Suite 2900 / Denver, CO 80202

P 303.861.4545 / F 303.832.5705

[forvis.com](http://forvis.com)

## Report of Independent Registered Public Accounting Firm

To the Member and Management  
Paralel Distributors LLC  
Denver, Colorado

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

We have audited the accompanying statement of financial condition of Paralel Distributors LLC (the "Company") as of December 31, 2023, including the related notes (collectively referred to as the "financial statement"). In our opinion, the financial statement presents fairly, in all material respects, the financial position of the Company 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 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 statement. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

**FORVIS, LLP**

We have served as the Company's auditor since 2022.

**Denver, Colorado**  
**March 13, 2024**

**Paralel Distributors LLC**

(A LIMITED LIABILITY COMPANY)

Statement of Financial Condition

As of December 31, 2023

**ASSETS**

Cash and cash equivalents	\$	433,931
Accounts receivable		82,988
Prepaid expenses		52,513

<b>TOTAL ASSETS</b>	<b>\$</b>	<b>569,432</b>
---------------------	-----------	----------------

**LIABILITIES AND MEMBER'S EQUITY**

**LIABILITIES**

Accounts payable and accrued expenses	\$	132,770
---------------------------------------	----	---------

<b>TOTAL LIABILITIES</b>		<b>132,770</b>
--------------------------	--	----------------

<b>MEMBER'S EQUITY</b>		<b>436,662</b>
------------------------	--	----------------

<b>TOTAL LIABILITIES AND MEMBER'S EQUITY</b>	<b>\$</b>	<b>569,432</b>
--	-----------	----------------

See accompanying Notes to the Financial Statement

---

## Paralel Distributors LLC

(A LIMITED LIABILITY COMPANY)

Notes to the Financial Statement

For the Year Ended December 31, 2023

---

### **1. Organization and Nature of Business**

Paralel Distributors LLC (the “Company”) was formed on July 21, 2021, as a Colorado limited liability company and is a wholly owned subsidiary of Paralel Technologies LLC (the “Member”). The Company is a registered broker dealer, a member of the Financial Industry Regulatory Authority, Inc., a member of National Securities Clearing Corporation and a member of Securities Investor Protection Corporation.

The Company is exempt from the Securities Exchange Act of 1934 (“SEA”) Rule 15c3-3 as a non-covered firm because its business activities are limited to mutual fund distribution and mutual fund underwriting. As a result, 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 SEA Rule 15c2-4; (2) did not carry accounts of or for customers; and (3) did not carry PAB accounts (as defined in SEA Rule 15c3-3) throughout the year ended December 31, 2023.

Due to the Company’s business activities, the Company is not subject to the custody and reserve provisions of SEA Rule 15c3-3.

### **2. Significant Accounting Policies**

#### ***Basis of accounting***

The financial statement is prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Revenue is recognized when earned, while expenses and losses are recognized when incurred.

#### ***Use of estimates***

The preparation of the financial statement 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 statement and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### ***Cash and cash equivalents***

The Company considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents. Cash and cash equivalents consist of funds maintained in a checking account held at financial institutions.

#### ***Income Taxes***

The Company is a single member which is treated as a disregarded entity for U.S. tax purposes and no provision for income taxes is recorded since the liability for such taxes is that of the Member rather than the Company. The Company’s income tax returns are subject to examination by the federal and state taxing authorities, and changes, if any, could adjust the individual income tax of the Member.

---

**Paralel Distributors LLC**

---

(A LIMITED LIABILITY COMPANY)

Notes to the Financial Statement

For the Year Ended December 31, 2023

**3. Related Party Transactions**

During the year ended December 31, 2023, the Company had an expense sharing agreement in place with the Member. The agreement permits the allocation of certain shared expenses to the Company, and the balance due to the Member as of December 31, 2023, was \$515. The shared expenses consist of compensation, occupancy and other general overhead expenses incurred in the normal course of business.

The activities of the Company include significant transactions with related parties and may not necessarily be indicative of the conditions that would have existed if the company had operated as an unaffiliated business.

**4. Net Capital Requirements**

The Company is subject to the SEA 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 (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). On December 31, 2023, the Company had net capital of \$301,161 which was \$292,310 in excess of its required net capital of \$8,851. The Company’s ratio of aggregate indebtedness to net capital was 44.09%.

**5. Revenue and Expense Recognition*****Mutual fund underwriting***

Mutual fund underwriting revenue is derived from contracts whereby a mutual fund engages the Company to issue and sell through the Company, as sub placement agent, shares of the mutual fund. These fees are earned with the successful placement of an investment of the mutual fund and are earned throughout time for as long as the investment remains in the mutual fund.

***Distribution services income***

Distribution services income is derived from contracts whereby the mutual fund engages the Company to act as the distributor of the mutual fund. These fees are earned monthly and are for ongoing distribution services.

***Reimbursed expenses***

The Company is reimbursed by the mutual funds it is engaged with, for certain expenses on a dollar-for-dollar basis.

***Receivables and contract balances***

Receivables arise when the Company has an unconditional right to receive payment under a contract with a customer and are derecognized when the cash is received. The receivable balance as of December 31, 2023 and December 31, 2022, was \$82,988 and \$76,924, respectively.

Contract assets arise when the revenue associated with the contract is recognized prior to the Company’s unconditional right to receive payment under a contract with a customer (i.e., unbilled receivable) and are derecognized when either it becomes a receivable or the cash is received. Contract assets are reported in



---

**Paralel Distributors LLC**

---

(A LIMITED LIABILITY COMPANY)

Notes to the Financial Statement

For the Year Ended December 31, 2023

the statement of financial condition. As of December 31, 2023 and December 31, 2022, the contract asset balances were \$0.

Contract liabilities arise when customers remit contractual cash payments in advance of the Company satisfying its performance obligations under the contract and are derecognized when the revenue associated with the contract is recognized when the performance obligation is satisfied. As of December 31, 2023 and December 31, 2022, the contract liabilities balances were \$0.

***Significant judgment***

Significant judgment is required to determine whether performance obligations are satisfied at a point in time or over time; how to allocate transaction prices where multiple performance obligations are identified; when to recognize revenue based on the appropriate measure of the Company's progress under the contract; and whether constraints on variable consideration should be applied due to uncertain future events.

**6. Concentrations of Credit Risk**

***Cash***

The company maintains principally all cash balances in one financial institution which at times may exceed the amount insured by the Federal Deposit Insurance Corporation. The exposure to the Company is solely dependent upon daily bank balances and the respective strength of the financial institution. The Company has not incurred any losses on this account. On December 31, 2023, the balance in excess of the insured amount of \$250,000 was \$183,931.

**7. Indemnifications**

In the normal course of its business, the Company indemnifies and guarantees certain service providers against specified potential losses in connection with their acting as an agent of, or providing services to, the Company. The maximum potential amount of future payments that the Company could be required to make under these indemnifications cannot be estimated. However, the Company believes that it is unlikely it will have to make material payments under these arrangements and has not recorded any contingent liability in the financial statement for these indemnifications.

The Company provides representations and warranties to counterparties in connection with a variety of commercial transactions and occasionally indemnifies them against potential losses caused by the breach of those representations and warranties. The Company may also provide standard indemnifications to some counterparties to protect them in the event additional taxes are owed or payments are withheld, due either to a change in or adverse application of certain tax laws. These indemnifications generally are standard contractual terms and are entered into in the normal course of business. The maximum potential amount of future payments that the Company could be required to make under these indemnifications cannot be estimated. However, the Company believes that it is unlikely it will have to make material payments under these arrangements and has not recorded any contingent liability in the financial statement for these indemnifications.

**Paralel Distributors LLC**

---

(A LIMITED LIABILITY COMPANY)

Notes to the Financial Statement

For the Year Ended December 31, 2023

**8. Subsequent Events**

The Company has evaluated events and transactions that occurred from January 1, 2024, through March 13, 2024, for possible disclosure and recognition in the financial statement. Based upon this review, the Company has determined that there were no events which took place that would have material impact on the financial statement.